

Report to: Licensing and Enforcement Committee



Date of Meeting 20 July 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release

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## Report on Hackney Carriage Fares

### Report summary:

**Report No. 1** 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 further request from Hackney Carriage (Vehicle) licence holders to increase the Hackney Carriage Table of Fares, and
2. As an interim measure, to consider temporary approval for using the higher evening taxi fare tariff for daytime fares, and
3. If agreed under 1, to set a timescale through the statutory procedure as required.

### Reason for recommendation:

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

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

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### 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 The information to provide content for this report was received shortly before timescales to prepare and publish it. Further details will be provided by officers for the Committee to receive after publication and prior to meeting.
- 1.2 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.
- 1.3 East Devon District Council set the maximum chargeable fare when it adopted the current taxi fare tariff that appears at **Appendix A** in April 2022. The public consultation exercise was completed in line with statutory requirements with no objections being received.
- 1.4 This increase followed a request from the Exmouth Taxi Trade Association (now the East Devon Taxi Association) with the last increase prior to this year approved in 2020. On that occasion the association had sought an increase of 50 pence on the initial 'flag' charge (or half mile journey) that resulted in change from £3 to £3.50 for daytime fares. The trade had not sought a change to evening and weekend/bank holiday fares which were left unchanged.
- 1.5 The taxi fare tariff sets the maximum fares that can be charged under three tariffs for the daytime (Tariff One), evenings and night time (Tariff Two) and for Bank Holidays (Tariff Three).
- 1.6 All licensees were contacted by officers on a number of occasions to seek their proposals in 2020 and 2022, although overall feedback on both occasions was received from Exmouth Taxi Trade Association. The 2022 increase approved in April gave a further increase on the initial 'flag' charge by 10% increasing from £3.50 to £3.85 for daytime fares and with evening fares increasing from £4.00 to £4.40. Tariff Three remained unchanged this year.
- 1.7 In addition to the public consultation occurred and contact with all licensees, officers had attended a meeting of Exmouth Taxi Trade Association Prior in the spring prior to circulating the public notice in local newspapers explaining the changes under **Appendix B**. The notice was a full summary of all charges under all three tariffs and is now displayed on the EDDC web pages as the current [East Devon Tariff Detail for Meter Engineers](#) who amend the vehicle taxi meters and for the public.

### 2 Fare Tariff Increase April 2022

- 2.1. The timeline to remind the Committee of the current tariff began in October 2021 after Exmouth Taxi Trade Association verbally requested an increase to officers. A comprehensive report outlining the subsequent contact with all licensees was provided to this Committee in November 2021 through the [Taxi Fare Tariff Report](#) when it was resolved to increase the fares tariff after further scoping work.
- 2.2. On 12<sup>th</sup> January 2022, officers sent to all hackney carriage licensees the details of three increase options at that time based above the Inflation Rate provided at **Appendix C**.
- a) Option 1 - No Change to the current taxi fare tariff at all.
  - b) Option 2 - Increase Tariff 1 the minimum first half mile fare increasing by 5.7% to £3.70.
  - c) Option 3 - Increase Tariffs 1 and 2 the minimum fare for the first half mile across both Tariffs 1 and 2 by 5.7%. Tariff 3 with no changes at all
- 2.3. Officers updated this Committee in February outlining the inflation challenges in conjunction with the responses that had been received in the [Taxi Fares report](#). The Committee unanimously approved a 10% increase to adopt the new fare table after the necessary public notice were placed in newspapers circulating in the District. The period for objections passed on 1 April 2022 and the current table of fares was adopted.
- 2.4. Officers have informed all East Devon hackney carriage licensees of the new fare table by email and by posting out new laminated tariff cards with a covering letter. Licensees were reminded to make their arrangements with suitably appointed meter engineers to have their vehicle meters calibrated with the new tariff by 1<sup>st</sup> September 2022 and a number have already done so.

### **3 New Request for a Fare Increase**

- 3.1 The confirmation of a new increase has been forthcoming between May and July and on 23 May 2022, officers received contact from the Chair of the East Devon Taxi Association putting forward a request for a 10% increase in all costs listed under Appendix B, the current [East Devon Tariff Detail for Meter Engineers](#). Officers sought clarification verbally and by email.
- 3.2 In June further follow up was provided by the association referring to higher increases adopted in other Districts outlining that a further increase of 15% is necessary. It is acknowledged that fuel costs have continued to rise with ongoing challenges to the taxi trade, specifically from fuel, garage service costs and insurance. On 27 June the Exmouth Taxi Association held a meeting which officers were unable to attend following which an update on the new increase was provided provided.
- 3.3 On 2 July, details of the East Devon Taxi Association meeting were shared with officers and amongst other taxi related matters, the fare rise of 15% was confirmed. Officers responded to seek clarification on whether the 15% increase is sought against the former fare tariff (pre April 2022 fares) or for the new and existing fare tariff adopted on 20 April. An email response was provided by the association on 7 July confirmed the former, being required against the pre-April '22 fares tariff and specified, *"Taking the original tariff before April 2022 the requested changes are relating to that. So we would request 15% on each fare in tariff 1 and tariff 2. Tariff 3 to remain as it is."*
- 3.5 On 8 July, officers received further contact from the Chair of the association passing on email comments of one licensees asking if EDDC could speed up this process to help eliminate the pressure many firms/drivers are feeling with continually increasing costs. The licensee also asked that as an interim measure whether the taxi trade could be granted approval to

temporarily use the higher Tariff 2 evening costs for daytime work (instead of Tariff 1) and Tariff 3 for night time and Sunday plus bank holidays.

## **4 Summary**

- 4.1 The fare tariff set by each Council effectively caps the salary of taxi drivers and sets the maximum fares that taxis can charge the public although it is possible to charge lower if a driver wishes to. Taking into account the very recent nature of the request for a further increase of 15% against the pre-April fare, members will need more information to consider a decision.
- 4.2 Taking into account that two fare increases have been adopted in the last two years and with this latest request being received within recent weeks, officers recognise the need to provide more detailed information regarding the recommendation to members before considering to proceed or decline the request.
- 4.3 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. However the current Tariff 2 fares have passed through that procedure and if, as a temporary measure, using the higher evening Tariff 2 on daytime fares is to be considered, the increase to the public by paying those fares in the daytime will need to be understood.
- 4.4 This challenge is currently faced by Councils and the taxi trade nationally. Other District Councils have also reset their taxi fares this year in differing levels, with some increasing by 30% although the baseline of what an increase of that nature was originally set against will be provided along with comparison of Councils fares for this meeting.
- 4.5 With the following meeting of this Committee planned in November, the interim option to approve the use of the higher fares tariff already in place for evenings, against daytime fares may require consideration. The late receipt of this request has not allowed for wider dialogue or consultation with all East Devon licensees although more are now attending the former Exmouth taxi association.
- 4.6 Officers will shortly provide a further update report with appendices prior to the meeting on 20 July to support the Committee to allow clearer understanding of the need for increasing the fares and if approved, by how much.

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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 legislative framework is set out within the report.