

NON-EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL

Licensing Committee

16 November 2018

Hackney Carriage Fare Review

Environmental Health Manager (Food, Safety & Licensing): Catherine Rayner

FOR RECOMMENDATION

**Portfolio: Portfolio Holder for Neighbourhood Support
Cllr Ingrid Thomas**

Head of Service: Natalie Meagher

Key Decision: No

1.0 Purpose of Report

- 1.1. To consider and make recommendation about a proposal from the East Hampshire Taxi Association to vary the Councils Hackney Carriage Table of Fares which is detailed at Appendix A. The recommendation from the Licensing Committee will be submitted to full Council on 17 January 2019.

2.0 Recommendation

- 2.1. It is proposed that the Licensing Committee either -
 - a) Recommend varying the table of fares, or
 - b) Make no changes to the existing table of fares.

3.0 Executive Summary

- 3.1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that district councils may fix the rates of fares within the district for time or distance (or a combination of both) and all other charges, regarding the hire of hackney carriages. This is done by setting a table of fares which should be reviewed on an annual basis as detailed in the EHDC Policy Statement, Hackney Carriage and Private Hire Licensing.
- 3.2. A request to vary the table of fares has been received from the local taxi trade.
- 3.3. The Licensing Committee will make a recommendation in respect of the variation, to full Council to make a decision.

- 3.4.** If approved by full Council steps will be taken to publish the variation in at least one local newspaper for at least 14 days.
- 3.5.** If no objections are received or any objections are withdrawn, the variation will come into operation on expiry of the date specified in the notice or the date of withdrawal of the objection, whichever date is the later.
- 3.6.** If an objection is not withdrawn, a further date will be set, not later than 2 months after the first specified date, on which the table of fares will come into force with or without modifications, as decided by the Council, after consideration of the objections.

Background to Table of Fares

- 3.7.** Hackney carriage proprietors obtain their fares by plying for hire from Hackney Carriage ranks or by being hailed in the street. They have a taximeter which dictates the maximum fare a proprietor may charge for each journey. The table of fares is displayed in each hackney carriage.
- 3.8.** Hackney carriage operators cannot charge more than the fares detailed in the table of fares, although they have discretion to charge less than the maximum.
- 3.9.** There has not been an increase in the Table of Fares since 2015, when a booking fee was introduced. The booking fee is only used for pre-booked journeys. Prior to that, there has not been an increase in the fare tariffs since 2011. The hackney carriage trade now seeks an increase in these. The current table of fares that a hackney carriage proprietor may charge is shown at Appendix A.
- 3.10.** The table of fares is split into 3 tariffs (again see Appendix A). The use of varying tariffs for different times of days and type of journey is common practice throughout the country. Extra charges are also commonly permitted for, carrying animals, fouling of vehicles etc and these are also detailed in the table of fares.
- 3.11.** On 19 January 2018 a request was received from the local Taxi Association to increase the rates detailed in the existing Table of Fares. This was made following a meeting of the East Hampshire Taxi Association on 19 January 2018. The proposal is as follows –

Start rate (flag) - £3.00 (currently £2.80)
First mile - £4.40 (currently 4.20)
Each successive mile - £2.00 (currently £1.80)

A copy of the email received on 19 January 2018 can be found at Appendix B. No changes were proposed to the tariff hours or to any of

the extra charges that can be made for example fouling of a vehicle or for each person beyond one.

Consultation with the taxi trade

3.12. There are currently 103 Hackney Carriage vehicles licensed in the district. They are operated by 50 Hackney Carriage proprietors.

3.13. As a result of receiving the request from the Taxi Association, a consultation letter was sent out in August 2018 to all Hackney Carriage proprietors detailing the requested increase. A copy of the letter is shown at Appendix C.

3.14. 30 replies were received, which is a 60% response rate. 25 of the respondents agreed with the increase. 5 requested no change. 5 of the total respondents made comments regarding other proposals which are listed below.

‘Also, there should be a minimum fare for very short journeys i.e. stn to square, stn to hospital, stn to Rushes farm, Oaklands Road. This should be £5.00. Because of the amount of taxis at stn it could take you at least 2/3 hours before you get another job. Most of the drivers agree this should be put into action.’

‘A minimum fare of £5.00 should apply to all local pickup/drop offs. Far too often after waiting for up to 3 hours to get a fare we are sked to go to the Square, Premier Inn etc.’

‘Local J to be min £5.00.’

‘The flag rate of £2.80 should remain as it is, as should the subsequent mile rate of £1.80. However, there should be a minimum fare of £5 for all journeys.’

Copies of the 30 response sheets will be available to view at the hearing.

Issues to be considered

3.15. There is no standard method for calculating fares. Each local authority must determine how the fares should be calculated or determined and the method chosen must be fair and appropriate. The EHDC Hackney Carriage and Private Hire Statement states – ‘The review of fares will take into account feedback from the public, trade and other bodies, review of motoring costs such as fuel prices, licensing fees and a comparison of fares set by other Local Authorities.’

Licence Fees

- 3.16.** The Council's licence fees for hackney carriage vehicles and owners have remained unchanged since 2015. Although a review is currently being undertaken.
- 3.17.** The initial cost to an applicant to be licensed as a driver and to licence a vehicle is approximately £1000. This takes into account the licence fees, medical fee, driving assessment, vehicle test, driving licence check, knowledge test, mechanical test and criminal record check.
- 3.18.** Upon renewal, both the driver's license and vehicle licence fees are reduced. Frequency of vehicle tests and medicals depend on the age of the vehicle and the age of the licence holder respectively. Vehicles under 6 years old are required to have an annual inspection, whereas vehicles over 6 years old require two inspections a year. Drivers are required to submit a DVLA Group 2 medical report once up to the age of 45, every 5 years up to age 65 and once a year thereafter.

Costs – motoring, inflation

- 3.19.** Costs of motoring have changed over time. Table 1 below shows figures from the RAC Foundation (Source ONS) detailing the change in total motoring costs, which includes purchase, tax and insurance, maintenance.

Table 1

Year	%change in the cost of motoring
September 2011	21.03
September 2015	18.86
September 2018	32.35

- 3.20.** The biggest ongoing cost to the vehicle owner is fuel. Fuel prices have fluctuated over the period September 2011 to September 2018. Table 2 below shows the fuel prices from RAC Foundation.

Table 2

Year	Petrol (ppl)	Diesel
September 2011	135.7	140.1
September 2015	110.9	110.5
September 2018	130.6	134.6

- 3.21.** Average weekly earnings (AWE) have increased over the period September 2011 to August 2018. Table 3 below shows the AWE figures published by Office for National Statistics.

Table 3

Year	AWE (£) (whole economy)	% increase
September 2011	454	

September 2015	484	6.6
August 2018	523	15.2

3.22. Inflation also affects the cost of motoring. One measure of inflation is the Consumer Price index (CPI). Table 4 below shows CPI figures published by the Office for National Statistics.

Table 4

Year	CPI	% increase
September 2011	226.9	
September 2015	237.9	4.8
September 2018	252.4	11.2

3.23. The cost data used above is as independent as possible of the Council and Taxi representatives and uses robust data sources such as the RAC and the Office for National Statistics.

Comparison to fares set by other Local Authorities

3.24. Table 5 below shows a comparison of the proposed variation to the fares of neighbouring authorities (based on Tariff 1) as provided by the September 2018 edition of Private Hire and Taxi monthly.

The 'Flag' refers to the initial charge at the start of the journey and would be the minimum charge of a taxi fare.

As detailed each local authority is ranked on the fare for the two-mile journey out of 366 local authority areas.

Table 5

Council	National league table extract sorted by 2-mile fare	Flag (£)	1 mile (£)	2 miles (£)	5 miles (£)	10 miles (£)	Running mile (£)	Start date (yr.)
Hart	35	2.60	4.20	6.80	14.60	27.60	2.60	2014
B&D	51	3.00	5.0	6.60	10.80	20.80	varies	2013
Rushmoor	81	3.0	3.90	6.40	13.60	25.60	varies	2018
Chichester	103	4.0	4.0	6.10	12.40	22.90	2.10	2011
Waverley	121	3.40	3.80	6.20	13.40	25.40	2.40	2014
Winchester	123	2.80	4.20	6.20	12.20	22.20	2.0	2011
EHDC (current)	142	2.80	4.20	6.0	11.40	16.80	1.80	2015
Havant	182	2.40	4.10	5.80	10.90	19.40	1.70	2015
Portsmouth	231	2.20	3.80	5.60	10.80	21.60	1.76	2010
National				5.80				

Average								
London (Heathrow)	1			10.60				
South Kesteven	366			3.50				
EHDC proposed		3.00	4.40	6.40	12.40	22.40	2.00	

3.25. Any changes to the tariff will require taxi meters to be recalibrated, within one month of implementation, at a cost of approximately £25.00 to the owner/operator.

3.26. The proposed new table of fares is shown at Appendix D.

4.0 Additional Budgetary Implications

4.1. The proposed table of fares will have to be advertised in a local paper which will incur a cost of approximately £100. However, this is recoverable within the licence fees.

4.2. Subsequently, if the proposed fare structure goes ahead the Licensing team will be required to advise the trade and produce a copy of the new table of fares for display in each vehicle. Again, this would be within current budgets as part of the licence fee.

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s

5.1. Financial Sustainability: Costs incurred through consulting with the trade and advertising are recovered in the licence fees charged.

5.2. Public Service Excellence: Effective community transport is a key issue in East Hampshire. It is important that our towns and villages continue to be served by a viable taxi service. It allows people to access parts of the community and businesses where other timetabled transport providers are unable to do so, providing a door to door service at any time of the day.

6.0 Options considered and reasons for the recommendation

6.1. An alternative option would be not to vary the current table of fares. The current table of fares would continue to be used.

7.0 Resource Implications

7.1. Financial Implications – Costs for advertising, producing tariff cards are included within existing budgets

7.2. Human Resources Implications - None

7.3. Other Resource Implications - None

8.0 Legal Implications

- 8.1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides the powers for local authorities to set maximum fares for hackney carriages.
- 8.2. A statutory notice displaying any proposed variations to the table of fares must be advertised in a local newspaper and at the council offices for a period of 14 days. The advertisement would state that the changes would come into force on a specified date.
- 8.3. If no objections are received or the objections submitted are withdrawn, the proposed variations come into effect on the date stated in the notice or the day the objections are withdrawn, whichever is the later.
- 8.4. If objections are made and not withdrawn the Council must consider any comments received during the consultation period. It must also publish a revised implementation date which must be within two months of the original implementation date on which the table of fares will come into force with or without modification.
- 8.5. There is no right of appeal against the level at which the council determines the table of fares. However, any decision taken should be based upon proper reasoning as it may be liable to legal challenge by way of judicial review.

9.0 Risks

- 9.1. There is no right of appeal against the level at which the council determines the table of fares. However, any decision taken should be based upon proper reasoning as it may be liable to legal challenge by way of judicial review.

10.0 Consultation

- 10.1. The East Hampshire Taxi Association made the request as part of a meeting on 19 January 2018.
- 10.2. All hackney carriage proprietors were subsequently consulted on the proposal.
- 10.3. Any proposed variation to the table of fares must be advertised in a local newspaper.

11.0 Communication

- 11.1. The variation to the table of fares will be communicated through:
 - a) advertisement in a local newspaper and at the council offices
 - b) the committee process and Full Council
 - c) the council website

12.0 Appendices:

Appendix A – Current Table of Fares

Appendix B – Copy of email request from Taxi Association

Appendix C – Consultation letter sent to hackney carriage proprietors

Appendix D – Proposed table of fares

13.0 Background Papers:

Website address for Private Hire and Taxi Magazine -
www.phtm.co.uk/taxi-fares-league-tables

Agreed and signed off by:

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S151 Officer: 08/11/18

Director:08/11/18

Portfolio Holder: 08/11/18

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