

Report to: **Licensing Committee**
Date: **20 June 2022**
Title: **Proposed Amendment to the South Hams
Hackney Carriage Fare Tariff**

Portfolio Area: **Health and Wellbeing – Cllr Hawkins**

Wards Affected: **All**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken: The amended Taxi Fare Tariff would come into effect on 21 June 2022

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RECOMMENDATION

It is RECOMMENDED that the Licensing Committee:

- 1. consider whether to:**
 - (a) modify the table of maximum fares approved for consultation on 31 March 2022, as a result of the consultation responses received; or**
 - (b) make no modification to the table of maximum fares approved for consultation on 31 March 2022;**
- 2. in the event that modification of the table of maximum fares is considered acceptable, indicate their preferred option from those set out below and the detailed summary in appendix B; and**
- 3. approves that, in the event that the current table of fares is modified, the date upon which the modifications to the maximum fares take effect shall be 21 June 2022.**

1. Executive summary

- 1.1 The purpose of this report is to inform members of the results of a consultation into a proposed amendment to the table of maximum fares following the meeting of 31st March at which a consultation was approved. The consultation was undertaken between 7th April and 21st April, and the responses received are attached at Appendix A.
- 1.2 Under the Local Government (Miscellaneous Provisions) Act 1976 Section 65, the Council has the power to set the fares charged within its area by Hackney Carriage (taxi) drivers. Section 65 (4), further states that "If objection is duly made as aforesaid and is not withdrawn, the district council shall set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections".
- 1.3 As objections to the proposed tariff amendment were received and not withdrawn during the consultation period, the Council is therefore required to consider the responses and any proposed amendments, and to approve a new table of maximum fares to come into effect not more than two months after the end of the consultation period (in this case 21st June 2022).

2. Background

- 2.1 South Hams District Council have set a maximum chargeable fare for taxis under the Local Government (Miscellaneous Provisions) Act 1976 Section 65. This in effect caps the salary of taxi drivers.
- 2.2 There has been no review of the taxi fares since 2016, and as such the meeting of 31st March considered a number of options for amendment of the table of maximum fares and approved an option for a 12.1% rise that reflected rises in inflation over a number of preceding years.
- 2.3 Following the meeting a consultation exercise was undertaken in-line with statutory requirements for a 14-day period. A copy of the statutory consultation notice outlining the proposed fare changes is included at Appendix E. Some 13 objections were received within the consultation period, with comments focused primarily on 3 areas:
 - The use of a percentage increase leading to a proposed fare increase in pence as opposed to rounding up or down to the nearest 5p or 10p;
 - Equality of increase with that implemented in Torbay;
 - Questions as to why the proposal for Tariff 3 was less than that for tariff 3 (this was clarified as an error in an email to the taxi trade in-advance of the statutory consultation, and subsequently corrected in the consultation notice).

A summary of the statutory consultation responses, including Officer comments is included at Appendix D.

- 2.4 Five potential options for the table of maximum fares have been developed following the consultation exercise. The options presented are:
- i. The figures from the 12.1% rise rounded to the nearest five pence with the flag rate set at £3.00 for tariff 1. (a 7.1% rise on the current flag rate), and the price for each subsequent 170yds raised to 25p, leading to a rise on the two-mile fare of 14.6%. (**Option one**)
 - ii. A 12.1% rise across the fare table based on the CPI inflation figures (the scheme approved for consultation on 31st March) (**Option two**)
 - iii. The figures from the 12.1% rise rounded to the nearest five pence with the flag rate set at £3.10 for tariff 1 (a 10.7% rise on the current flag rate), and the price for each subsequent 170yds raised to 25p, leading to a rise on the two-mile fare of 16.3% (**Option three**)
 - iv. The figures from the 12.1% rise rounded to the nearest five pence with the flag rate set at £3.20 for tariff 1. (a 14.2 % rise on the current flag rate), and the price for each subsequent 170yds remaining as existing, leading to a rise on the two-mile fare of 5%. (**Option four**)
 - v. A proposal by Totnes Taxis Ltd, with the flag rate set at £3.40 (a 21% raise on the current flag rate), and the subsequent distance reduced from 170yds to 155yds (20p per 155yds as opposed to 20p per 170yds as existing), leading to a 13.6% rise on the 2 mile fare.
- 2.5 A detailed summary of the five potential options is attached at Appendix B along with a copy of the current table of maximum fares at Appendix C.
- 2.6 All of the options except Option 2 involve rounding figures to the nearest 5p or 10p to address the issue raised in the consultation of drivers having to carry additional change in 1p and 2p denominations.
- 2.7 In addition to the consultation responses received within the statutory consultation period, a further detailed response was received from Totnes Taxis Ltd on 25th May 2022, in which they expanded on their previous objection to the proposed fare amendment that was received during the statutory consultation period and provided an alternative proposal for fare amendment

as summarised above. A copy of the correspondence received is attached at Appendix F.

- 2.8 Mr Alan Routledge of Totnes Taxis was permitted by the Chair to speak at the Licensing Committee meeting of 8th June, and spoke in support of the alternative fare amendment proposal produced by Totnes Taxis. The Totnes Taxi fare proposal sought to raise prices via two mechanisms. Firstly by raising the initial flag rate for the first 880yds, and then by reducing the distance intervals of the subsequent distance charge, meaning that 20p would be added to the meter for every additional 155yds travelled as opposed to every 170yds currently. At the request of the Committee, Officers calculated the 2 mile and 5 mile fare costs using the Totnes fare amendment proposal, and also the percentage increase relative to the existing table of maximum fares. Unfortunately there was an error in calculating these figures and as a result the Committee voted in favour of implementing the Totnes Taxis fare table proposal without having sight of the correct comparison figures first.
- 2.9 Comparison figures including the Totnes Taxis proposal have now been accurately calculated and are presented as the five options in Appendix B.

3. Outcomes/outputs

- 3.1 In addition to the options set out above for amendment to the table of maximum fares, it was also approved on 31 March 2022 that an exceptional fuel price figure be included within the list of applicable extra charges. It is proposed that an extra charge of 10p be added to the fare price when the price of fuel oil exceeds £1.75 per litre based on the latest available AA Fuel Price Report (UK average fuel price published by the AA monthly for many years), with a further 10p for each subsequent increase of 10p per litre. This measure has already been successfully adopted by two other Devon Authorities, and received no objections during the consultation period. Drivers can apply the 10p extra charge at the end of the journey by pressing the extra button on the meter when applicable.
- 3.2 Delegated authority was previously approved by the Committee on 24 November 2016 for the Community of Practice Lead for Environmental Health to instigate the review mechanism, propose the fares to be set and commence the statutory consultation period. As objections to the proposed table of maximum fares were received during the statutory consultation period, the matter has been brought back to the Licensing Committee to review the objections and make a determination of the table of maximum fares to be set.

Adoption Procedure

- 3.3 Legislation prescribes that the Council is empowered to set the fares charged within its area by hackney carriage (taxi) drivers for various distances over which paying passengers are conveyed, as well as associated charges.
- 3.4 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 enables the council to undertake this function and 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 must be provided with a period of at least 14 calendar days to make comment on the proposals. If no adverse comment/objection is received, the approved changes must take effect. Alternatively, if adverse comment/objection is received then the matter must be returned to allow the Committee to consider the representations as is the case in this instance. A new table of maximum fares shall then be approved and come into effect not more than two months after the end of the consultation period (in this case 21st June). As there are extant objections Committee is being asked to consider the objections in determining which option to implement.

4. Alternative Options Considered and Rejected

- 4.1 Legislation requires that the Council consider the consultation responses and approve a new table of maximum fares not more than two months after the end of the consultation period.
- 4.2 The mechanism for reviewing the maximum chargeable fares must be both fair and transparent or the Council may face legal challenge. It is considered by Officers that the departure from the approved Maximum Chargeable Fare Setting Policy set out in the report of 31 March 2022 was both necessary and timely, and did not compromise the fairness or transparency of the process.
- 4.3 Given that the Licensing Committee, at its meeting on 8 June 2022 considered a fare table comparison in relation to option 5 that had calculation errors, all 5 options are being brought back to Committee for reconsideration.

5. Proposed Way Forward

- 5.1 That the Committee indicates its preference for one of the proposed options for fare amendment, and approves a new table of maximum fares to come into effect on 21st June or before.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The legal background is that Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 enables a district council to set the fares charged within its area by hackney carriage (taxi) drivers for various distances over which paying passengers are conveyed, as well associated charges, as explained below.</p> <p>In accordance with those legal provisions, proposed taxi fare increases must be advertised in the local press - and made available in the Council Offices - for a period of 14 days to allow for any objections to be made. If no objections are received, or any that are made are subsequently withdrawn, the proposed new fares become effective from the date specified in the notice.</p> <p>If any objections are received which are not withdrawn, the new fares will not automatically take effect. In that case, to allow time for consideration of the objections, a new operative date for the fares must be set, which shall be no later than two months after the date of the close of the statutory objection period stated in the public notice. During this period objections would be considered and, if appropriate, the proposed fare tariff modified accordingly.</p> <p>The Committee needs to make its decision taking into account relevant information and disregarding irrelevant information. The statutory process was undertaken which resulted in objections which are described in this report and which have informed the Officer recommendations to Committee.</p> <p>Committee made a decision on the options at its meeting on 8 June 2022. However, option 5 (the preferred option) contained material calculation errors. These have been corrected and Committee is required to re-make its decision.</p>
Financial implications to include reference to value for money		There are no financial implications to the Council from this report.

Risk		Should we set the fare too low this may adversely affect the supply of taxis in the area. Whilst setting the fare too high may have a negative impact on the vulnerable users of this essential service.
Comprehensive Impact Assessment Implications		
Equality and Diversity		<p>There is a potential negative impact on protected groups including the disabled who rely on taxis as a principal form of transport. This impact is mitigated by the fact that the baseline (previous) taxi fare formula was based in part on local conditions, and the proposed changes simply incorporate nationally applicable inflation rises since that time (albeit rounded to the nearest five pence for practicality of programming the taxi meters).</p> <p>In addition, failure to amend Hackney carriage fares in light of rises in living costs may impact the financial viability of the taxi trade in the area, thus reducing access to this valuable local transport service for both vulnerable and non-vulnerable groups alike.</p>
Safeguarding		<p>There is a potential negative impact on vulnerable adults and children who rely on taxis as a principle form of transport. This impact is mitigated by the fact that the baseline (previous) taxi fare formula was based in part on local conditions, and the proposed changes simply incorporate nationally applicable inflation rises since that time (albeit rounded to the nearest five pence for practicality of programming the taxi meters). In addition, failure to amend Hackney carriage fares in light of rises in living costs may impact the financial viability of the taxi trade in the area, thus reducing access to this valuable local transport service for both vulnerable and non-vulnerable groups alike.</p>
Community Safety, Crime and Disorder		<p>Failure to adjust taxi fares in the face of significant cost of living rises may lead to a reduction in the number of licenced vehicles, which may in turn have implications for community safety via members of the public not being able to access taxis to take them home safely. Conversely, too large an increase may discourage customers from using taxis.</p>

Health, Safety and Wellbeing		The taxi service is used by different groups at different times, including where the public transport is limited or inadequate at certain times, for example early in the morning or late at night. It can therefore be part of a safer option for certain people at certain times.
Other implications		N/A

Supporting Information

Appendices:

- Appendix A – Consultation responses
- Appendix B – Tariff Comparison Table
- Appendix C – Current South Hams Taxi Tariff Sheet
- Appendix D – Consultation Summary
- Appendix E – Consultation Notice
- Appendix F – Totnes Taxis Ltd Consultation Response

Background Papers:

- Private Hire and Taxi Monthly National Fare Table
- Office for National Statistics Consumer Prices Index
<https://www.ons.gov.uk/economy/inflationandpriceindices#datasets>
- The AA monthly fuel price report <https://www.theaa.com/driving-advice/driving-costs/fuel-prices>