

<b>TITLE</b>	<b>STATUTORY CONSULTATION ON INCREASE TO HACKNEY CARRIAGE FARE TARIFFS</b>
<b>FOR CONSIDERATION BY</b>	Licensing and Appeals Committee on 26 January 2022
<b>WARD</b>	None Specific
<b>LEAD OFFICER</b>	Director, Place and Growth - Steve Moore

## **OUTCOME / BENEFITS TO THE COMMUNITY**

This proposal seeks to strike a balance between the legitimate aims of the taxi trade to maintain profitability in the face of increasing costs, while protecting the public from excessive fares.

## **RECOMMENDATION**

The Committee to

- 1)** CONSIDER the business case and proposal put forward by the trade for increasing the tariffs as set out in paragraphs 1.3 to 1.8 of this report and in the petition attached at Appendix A.
- 2)** If the Committee are minded to change the current Hackney Carriage fare scale, then delegate to the Director Place and Growth to undertake the statutory consultation process in accordance with paragraph 1.11 to 1.15 of this Report

## **SUMMARY OF REPORT**

The process of setting a fare increase is complex and a balance needs to be struck between the legitimate aims of the taxi trade to maintain profitability in the face of increasing costs, while protecting the public from excessive fares.

Local authorities have a statutory power to set the maximum fares that licensed Hackney Carriages (taxis) can charge for a journey.

The trade are not obliged to charge the maximum fare. This means that Hackney Carriage drivers are within their rights to negotiate the fare down provided that the final agreed fare is no more than the maximum set.

Any proposed changes to the current tariffs would need to be subjected to a statutory consultation process.

## Background

- 1.1 The current tariff scale was agreed on [22 January 2014](#). Options for amending the table of fares were discussed by the [Licensing and Appeals Committee at a meeting on the 16 June 2015](#). At that time the Committee noted that no business case had been put forward by the trade to support the proposal for increasing the tariffs. The Committee was concerned about the detrimental impact on residents and traders if the higher tariff 2 was changed to start at 10pm instead of 11pm. The change could result in residents having to leave events early in order to avoid paying tariff 2 which might result in local traders losing custom.
- 1.2 The Committee therefore resolved not to change the existing tariff. The Committee also asked that any future proposals from the trade should be supported by a business case. As no proposals from the trade were received during the ensuing years no variations to the tariffs have been brought to the Committee.
- 1.3 On 29 November 2021, officers received an email requesting that a variation to the table of fares be considered. This email was then supported by a petition from 31 members of the trade as set out in Appendix A. The request, submitted by Mr Mahmood Behroozi on behalf of the signatories, asked that consideration be given to adjusting the tariff to reflect today's actual cost of living and the compounded rate of inflation since 2010. The petition pointed out that the last tariff rate rise was in 2010 and there was a tariff reduction for 6 seated taxis in 2014 (when a flat rate was introduced for additional seats rather than a percentage surcharge).
- 1.4 The trade stated that according to the consumer price index, from 2010 to 2020 the average inflation rate rose by 2.7% per year to include the core period of the lockdown and by October 2021 was 4.2% (in 12 months) which was the highest rate in almost ten years.
- 1.5 The trade noted that there had been a significant increase in the price of fuel with the cost of diesel now exceeding £1.50 per litre. They calculated that this would add about 25% to the cost of running a bigger taxi. In addition, the trade had also had to deal with significant price increases in respect of the cost of servicing and parts and they commented that labour had also gone up by 25% on average. They also reported that the cost of all other parts such as tyres, brake pads, and suspension components had increased significantly as they are mostly imported.
- 1.6 The trade noted that Covid had, and continues to have, a major impact on their business and it was important that a price increase was enacted to ensure the viability of those members of the trade who continued to operate. They reported that private hire companies had already increased their fares to reflect the current situation.
- 1.7 The trade proposed the following variations to the existing tariffs

	<b>Tariff 1</b>	<b>Tariff 2</b>	<b>Tariff 3</b>
	<p>For hiring between 06:00 and <b>22:30</b> Monday to Sunday</p> <p><b>Currently 23:00</b></p>	<p>For hiring between <b>22:30</b> and 06:00 Monday to Sunday</p> <p><b>Currently 23:00 to 06:00</b></p> <p>For hiring on Bank and Public Holidays</p> <p><i>No change</i></p> <p>For hiring on Christmas Eve and New Year's Eve from 18:00 until <b>22:30</b></p> <p><b>Currently 23:00</b></p>	<p>For hiring after <b>22:30</b> on Christmas Eve and New Year's Eve</p> <p><b>Currently 23:00</b></p> <p>For hiring all day on Christmas Day and New Year's Day</p> <p>For hiring all day on the 26 December until 06:00 on the 27 December</p> <p><i>No change</i></p>
<p>Minimum charge for the first 440 yards or 150 seconds</p> <p><b>Currently 836 yards or 190 seconds</b></p>	£3.00	£4.50	£6.00
<p>For each subsequent 120 yards or 30 seconds or part thereof</p> <p><b>Currently 167 or 38 seconds</b></p>	20p	30p	40p
<p><b>Example:</b> Charge for an average 5 mile journey</p>	<p><i>Proposed</i> £16.90</p> <p><i>Current:</i> £12.50</p>	<p><i>Proposed</i> £25.40</p> <p><i>Current:</i> £18.80</p>	<p><i>Proposed</i> £33.90</p> <p><i>Current:</i> £24.90</p>
<p>For vehicles with more than 4 seats, per extra passenger</p>	<p><b>£2</b></p> <p><b>Currently 50p</b></p>		

Waiting Time Per 30 seconds Currently 38 seconds	20p	30p	40p
<b>Example:</b> Charge for an average 5 minute wait	<i>Proposed £2</i> <i>Current: £1.58</i>	<i>Proposed £3</i> <i>Current: £2.37</i>	<i>Proposed £4</i> <i>Current: £3.16</i>
Fouling exterior of vehicle	£15  <b>Currently £10</b>		
Fouling inside of vehicle	£75  <b>Currently £50</b>		

- 1.8 The trade also requested that consideration be given to implementing a set of tariffs specifically for special events days such as the Henley Regatta to match the tariffs of operators from South Oxfordshire (Henley) on these days.
- 1.9 Officers wrote to the trade on the 17 December 2021 to ascertain whether there was wider support for the changes to the tariffs. At the 14 January 2022, 34 responses were received supporting an increase to the tariffs. Eighteen of those respondents had also signed the petition. The responses are set out in Appendix B.
- 1.10 Members are asked to determine whether they would support a consultation on a variation to the tariffs and if so if they would support the option put forward by the trade or if they would prefer to put forward a different option to consult on. In order to set maximum fares, section 65 of the Local Government (Miscellaneous Provisions) Act 1976 Act prescribes a statutory consultation process and a means of dealing with objections in relation to a local authority's proposal to adopt or vary fares.
- 1.11 If Members are minded to seek any adjustment to the fares, and subsequently a decision is taken to make change(s) the Council must publish a notice setting out the proposed changes in at least one local newspaper. The notice must specify the period that readers will have to object to the change set out in the notice (the period must be at least fourteen days from the date of the first publication of the notice). The notice should also set out how the objections should be made.
- 1.12 It is proposed that, if Members are minded to vary the tariffs, a notice is placed in the Wokingham Today newspaper on the 2 February 2022 and that the consultation period run from this date until the 16 February 2022. The Licensing Committee is asked to consider if they are of the view that this period is acceptable or whether a longer consultation period should be given.

- 1.13 A copy of the notice must be displayed at the Council's Office and in addition a copy will also be placed on both the Wokingham Borough Council and the Public Protection Partnership's websites.
- 1.14 If no objection to the variation is received within the consultation period or if all objections are withdrawn, the revised fares will come into operation on the date of the expiration of the consultation period specified in the notice or the date of withdrawal of the last objection whichever date is the later.
- 1.15 If objections to the proposals are received and not withdrawn, it is proposed that the matter be discussed at the next Licensing and Appeals Committee. Any variations to the table of fares must be implemented no later than two months after the consultation period closes.

## Analysis of Issues

- 1.16 The procedure for setting fares and public notice requirements is in section 65 of the 1976 Act. Local authorities have the power to "...fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of Hackney Carriages by means of a table of fares made or varied in accordance with the provisions of this section."
- 1.17 The issue of setting fares for Hackney Carriage drivers is important primarily for two reasons. The fares set by local authorities largely determine the ability of drivers to earn a decent living but also functions to ensure that passengers receive a fair deal when taking a journey in a licensed Hackney Carriage. The trade have been heavily impacted by the restrictions imposed as a result of the various Covid lockdowns. Members are reminded that the trade are not obligated to charge the maximum fare should they decide not to do so.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0		
Next Financial Year (Year 2)	£0		
Following Financial Year (Year 3)	£0		

Other financial information relevant to the Recommendation/Decision
There are no specific financial implications for the Council arising from this report. The consultation, including the cost of notices in newspapers, will be undertaken using existing resources

<b>Cross-Council Implications</b>
The provision of a viable taxi trade in the district will support a number of the Districts priorities as they are associated with supporting businesses to start, develop and thrive.

<b>Public Sector Equality Duty</b>
Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.
Nationally young women are one of the largest groups to use taxis. Other groups, such as those who are disabled and those who are elderly may also use taxis more frequently. Any change to fares suggested could impact these groups financially, but equally there needs to be a viable taxi trade to provide a taxi service for these groups and all residents/visitors to Wokingham.
Whilst it is accepted that any changes to the tariffs might have a disproportionate impact on some of the protected groups this report is only seeking observations on whether or not to make changes, and, if so, what changes to the current fares. Any statutory consultation, as a result of a proposal to change the current fares, will be conducted in accordance with statutory requirements and provide an opportunity for protected groups to comment on impact. The review of the current fares is seeking to protect the public from excessive fares but at the same ensuring that this remains a profitable sector and therefore retaining drivers and operators to provide the service to those who rely on it.

<b>List of Background Papers</b>
None

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## Appendix A

### Petition received following the email on 29/11/2021

7/12/2021

Dear everyone at the licensing office

Following our last e-mail, the undersigned Wokingham taxi drivers are asking the council to raise the meter tariff to reflect today's actual cost of living and the compounded rate of inflation since 2010. The last tariff rate rise was in 2010 & a tariff reduction for 6 seated taxis in 2014.

According to the consumer price rate series, from 2010 to 2020 the average inflation rate rose by 2.7% per year to include the core period of the lockdown and the latest figures published last Wednesday showed the cost of living rose by 4.2% in October. It is the highest rate in almost 10 years.

The price of diesel is running above £1.50 per litre which is roughly 25% (more for larger taxis) of business cost. The cost of service parts and labour has gone up by 25% on average. The cost of other parts such as tyres, brake pads, engine, gearbox, clutch and suspension components have all gone high as they are mostly imported and the excuse is that, the freight costs have skyrocketed lately.

The drivers are asking the council to evaluate the impact of the current cost of living on the drivers, particularly in the light of continues battle with new variants of Covid-19 virus and government's ever-changing subsequent announcements which directly affects passenger numbers.

Private hire companies have already increased their fares to reflect the current situation. For example, a private hire company charges £15 to £16 from Woodley or Lower Earley to Wokingham but when the same people go to the taxi rank in Wokingham to get a taxi back seem curious why it only goes about £11 or £12 on the meter.

In conclusion, the drivers wish to see a tariff rise as soon as possible and have attached a revised tariff proposal as a guideline for your serious and urgent perusal.

This tariff chart does not include 'SPECIAL EVENTS DAYS TARIFF' such as Henley Regatta week which could be supplied to the drivers at the time of the event for those specific days. This is an issue that we have all discussed with you at the time of the events on the Ranks, such as Twyford station and explained that because of the traffic situation Henley taxis operate on a much higher tariff than ours, so it would be appreciated if Wokingham council could liaise with Henley council and close the vast gap which can be as much as 150%.

Thank you.

Wokingham Licensed Taxi Drivers

TARIFF 1	For hiring between 6am and 10.30pm For journeys of up to 440yards (1/4mile) or 150 seconds Or part thereof	£3.00
Tariff 1	For each subsequent 120yards or 30 seconds or Part thereof	20p
Tariff 2	For hiring between 10.30pm and 6am All day bank and official holidays Between 6pm and 10.30pm on 24and 31 December	Additional 50% on Tariff 1
Tariff 3	For hiring After 10.30pm on 24 and 31 December All day 25 December All day 26 December to 6am 27 December All Day 1 January	Additional 100% on Tariff 1

For vehicles with more than 4 seats, £2 per extra passenger

Fouling exterior of vehicle	£15
Fouling interior of vehicle	£75



## Appendix B

### Summary of responses to consultation letter sent on 17 December 2021

Support Increase Yes or No	Comments
Yes	These changes will have to come more often as inflation is steadily rising otherwise PPP may as well close up shop and hand everything over to Uber who of course don't need taxi licences or Hire and Reward Insurance making competing with them very difficult
Yes	I would strongly suggest and support to increase the tariff due to the higher cost of living and increase in fuel prices. I would also recommend to extend the Tariff 2 Fare from 20:00hrs to 08:00hrs and introduce Tariff 2 for 24 hours during bank holidays
Yes	Vehicles with more than 4 passenger seats. There should be a separate tariff. Present tariff on the proposed tariff does not adequately address the length of the journey travelled.
Yes	Could you please increase our fair as it has been due a long time
Yes	Fare increase is long due. I strongly support the fare increase requested by taxi drivers recently and I would also like to request to change tariff increase time from 20:00hrs to 07:00hrs Christmas Eve, Christmas Day, New Years Eve and New Years Day Plus Boxing Day. We should have all day 100% increase in tariff.
Yes	Our fare increase is long due, we fully support the increase
Yes	I am in favour of new taxi tariff
Yes	I would like raise the tariff
Yes	If you approve the amendments we will be very grateful for our trade
Yes	It has been overdue proposed changes. Please do it urgently as our drivers are struggling in current situation. Council officials should make the changes without asking us.
Yes	<i>A further 24 responses were received saying yes to support the increase, but not making any comment</i>

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