

TITLE	Outcome Of Statutory Consultation On Increase To Hackney Carriage Fare Tariffs
FOR CONSIDERATION BY	Licensing and Appeals Committee on 2 March 2022
WARD	None Specific
LEAD OFFICER	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 Licensing and Appeals Committee to:

- i) CONSIDER** the objections and comments received during the Statutory Consultation as set out in Appendix A; and
- ii) EITHER:**
 - a. DETERMINE** that the modifications to be made to the table of fares at Appendix C requested by the taxi trade are approved ; or
 - b. DETERMINE** no modifications are to be made to the table of fares at Appendix C; or
 - c. DETERMINE** alternative modifications to the table of fares at Appendix C; and

such table of fares, with or without modification, to come into effect on 01 April 2022 or an alternative date if that date is not possible due to the need to re-configure meters in conjunction with meter providers.

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 is 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.

The Council has received three objections during the statutory consultation period, so the committee must decide whether to modify the revised table of fares and to set an implementation date. Two responses broadly supporting the proposal were also received.

Background

1. 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.
2. Local authorities have a statutory power to set the maximum fares that licensed hackney carriages (taxis) can charge for a journey. Any changes to the current table of fares must be subjected to a statutory consultation process. Where objections to the proposed table of fares are received and not withdrawn, the committee must decide whether or not to modify the revised table of fares and to set an implementation date.
3. The Department for Transport's 'Taxi and private hire vehicle licensing: best practice guidance' (March 2010) includes some guidance around taxi fares at paragraphs 52 to 54. It notes that it is "good practice to review the fare scales at regular intervals". The guidance emphasises that "Fare scales should be designed with a view to practicality" and goes on to state;

"The Department also suggests that in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand."

4. The trade is not obligated 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. The best practice guidance confirms;

"Taxi fares... in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at ranks, or for on-street hailings... But local licensing authorities can usefully make it clear that published fares are a maximum..."

"There is a case for allowing any taxi operators who wish to do so to make it clear... that they charge less than the maximum fare..."

5. The current table of fares as set out in Appendix B was agreed in 2014. In December 2021 the Council received a request from the trade to vary the current set of fees in light of increases in their costs. These proposals were discussed at the 26 January 2022 Licensing and Appeals Committee where Members agreed to go out to consultation on the variations proposed by the trade in accordance with the statutory requirements.
6. The Committee requested that consideration be given to running the consultation for three weeks instead of the prescribed two-week period. It was unfortunately not possible to amend the meeting schedule to accommodate this request. The consultation therefore ran from the 3 February 2022 to the 17 February 2022. A public notice was placed in the Wokingham Today newspaper on the 3 February 2022 (triggering the start of the consultation), the consultation was included on the Public Protection Partnership's website, a note was displayed at the Council Offices from the 2 February 2022 and a copy of the proposals was sent to all trade

representatives, to encourage participation in the statutory consultation. The consultation exercise was supported by a social media campaign.

7. The Proposed Table of Fares consulted on is set out in full in Appendix C to the report. The summary of changes requested by the trade is set out below:
 - Bring forward the time the tariffs change from one rate to another from 11pm to 10:30pm;
 - Change the “Flag Rate” (minimum charge) from 863 yards and 190 secs to 440 yards/150 secs;
 - Amend the Rate from 167 yards/38 secs to 120 yards/ 30 secs;
 - Increase the fouling charges from £10 (interior) and £50 (exterior) to £15 and £75 respectively;
 - Increase the charge for an extra passenger where the vehicle is transporting more than 4 passengers from 50p to £2.00 per additional passenger.
9. The objections and comments are set out in full in Appendix A to the report. As objections have been received and not withdrawn the Committee is required to decide whether or not the revised table of fares should be modified before it is implemented. The table of fares will come into effect with or without modification on the 1 April 2022.
10. The objections were concerned that the proposed variations would make the cost of catching a taxi prohibitive for those that relied on catching them. They were also concerned about the potential risk to those people that might opt to walk home rather than catch a taxi late at night due to the cost.
11. A Town Council has objected to the modification due the level of increase proposed as it was not, in their opinion, comparable with the fares charged by neighbouring authorities. Some comparator data is set out in Appendix D to the report.
12. Taxi traders have responded in writing to the consultation responses, and their response is included at Appendix E.
13. Meter companies have informed the council that older meters cannot be configured for 150 seconds start time (as they are pre-set at manufacture to 110 seconds), so it is proposed that the 110 second waiting time should be retained so that it can work on all meters. This will have the effect of marginally increasing fares.
14. It has also come to light that Surrey Heath is also about to modify their fares from 1 April, and it may be difficult for meter companies to accommodate more changes on the same day, so it may be desirable to change the implementation date from the one in the consultation.
15. The increase proposed is significant (circa 34%), the fact that objections have been received means that the committee impose a smaller increase if it decides to do so.
16. The comparator data is calculated calculating the cost of a distance base 2 mile journey of 2 miles (3,520 yards) on tariff 1. Officers have calculated the cost based upon the existing tariff rates, the trade request tariff and the cost based upon the 110

second tariff suggested in paragraph 13 above. The rate requested by the trade for a 2 mile journey is comparable to the rate set by Reading (£8.13 WBC v £8.00 RBC).

17. There were also two responses that appeared to be broadly supportive of the proposals albeit that one of the respondents suggested that the increased costs might make it more attractive to use alternative providers. They also commented that there needed to be a commensurate improvement in the quality and cleanliness of the taxis. This was not an issue that could be affected through the setting of fares but could be considered as part of the amendments to the Hackney Carriage and Private Hire Policy that was currently being reviewed.

Analysis of Issues

12. 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 (hereafter in this section referred to as a “table of fares”) made or varied in accordance with the provisions of this section.*”
13. The issue of setting fares for Hackney Carriage drivers is an important one 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.
14. Where an objection is raised to the proposed changes, section 65 (4) of the 1976 Act states that Council must set another meeting to consider the objections (this meeting) and decide what modifications to the existing table of fares shall be made.
15. In respect to the table fares, this means that the Committee can:
 - (i) make no modifications;
 - (ii) make the modifications requested by the trade; or
 - (iii) make alternative modifications to the table of fares.
16. If the Committee makes alternative modifications to the table of fares (point iii above) then it will need to ensure that such alternatives are properly reasoned and can be justified both to the trade and the public.

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. Decisions about changes to fare tariffs can be communicated using existing resources.

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

Public Sector Equality Duty
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.
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.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030
Please state clearly what the impact of the decision being made would be on the Council's carbon neutral objective.
Maintaining a profitable taxi hire sector and therefore retaining drivers and operators to provide the service is an important means of reducing reliance on private car use.

List of Background Papers
None

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Appendix A

Responses to Formal Consultation

Appendix B

Current Wokingham Borough Council Hackney Carriage Table of Fares (2014)

Appendix C

Proposed Hackney Carriage Fare Chart effective 1 April 2022

Appendix D

Comparison of costs of a two mile journey

Appendix E

Response from taxi trade to consultation responses

Responses to Formal Consultation on Taxi Tariffs (03 February 2022 to 17 February 2022)

Organisation	Submission	Comment
Resident	<p>I'm writing to express my objection at the proposed increase to the fares.</p> <p>It is a challenging time for everyone late and appreciate the same applied to those that work in the industry, however, the increase in fares will make the use of taxis prohibitive for many who need to rely on such mode of transport for health matters (hospital appointments) and on occasion to work (for example social care teams where they are unable to drive to work).</p> <p>Furthermore it will introduce risk to individuals who may be needing transport late and night and decide to walk home as they are unable to afford the revised fares.</p>	<p>Members will need to determine at the meeting if they agree to the variations as proposed by the trade or not.</p> <p>It should be noted that the fares are the MAXIMUM that can be charged and that passengers are able to negotiate a lower fare prior to the journey commencing.</p>
Resident	<p>I do think that fares should be set at a higher rate, if the licensed cabs wish it.</p> <p>I usually take Ubers instead though, which are much cheaper, and I think this will drive more business that way. I'm happy we have options.</p>	<p>Uber has a licence to operate in Wokingham Borough.</p> <p>Uber uses a dynamic pricing algorithm which adjusts rates based on a number of variables including demand levels.</p>
Resident	<p>Re the current consultation on taxi fare increases, a rise in the cost appears justified in all the circumstances. The level of increase must, however, be a reasonable one. And with the rise, there needs to be an improvement (monitored regularly by Wokingham Council) in the quality and cleanliness of the taxis for hire at Wokingham station, and their meters must be clearly visible to customers sitting in the rear of the vehicle.</p>	<p>Members will need to determine if the proposed variation is reasonable.</p> <p>The issues around cleanliness and quality of vehicles and the visibility of meters would not be reflected on the tariff card. These issues could be considered as part of the review of the Hackney Carriage and Private Hire Vehicle Policy that is currently underway.</p>

Organisation	Submission	Comment
Meter Company	<p>Your proposal doesn't follow taximeter rules OIML and R21 which have been in force for many years</p> <p>The rule takes the flag distance divided by the increment distance Multiplied by the increment time.</p> <p>So many older meters make this calculation and apply it automatically and have no provision to change this as it is a standard used all over the world.</p> <p>Many new ones can do it automatically or be adjusted.</p> <p>On your proposal 440 divided by 120 equals 3.666 X 30 Equals 110 seconds not 150.</p> <p>So meters that can't change this because it's automatic would drop 40 seconds early which is overcharging and they would have to be removed</p> <p>Your options are:</p> <ul style="list-style-type: none"> • Remove the meters • Change the flag time to 110 seconds • Or do what many councils do and have no flag time on the card because the meters do it automatically 	<p>Advice has been taken which confirms that the variation as proposed would work on most meters albeit not on the much older models.</p> <p>Officers would recommend changing the flag time to 110 seconds to accommodate the older meters if Members are minded to adopt the revised tariffs. Members will need to determine if they wish to accept this modification at the meeting or not.</p> <p>Members can look at comparison tables at: https://www.phtm.co.uk/news/paper/taxi-fares-league-tables which compares a 2 mile journey on tariff 1. It should be noted that a 2 mile journey on tariff 1 under the proposed scheme would cost £8.60</p>
Town Council	<p>Whilst the Committee acknowledge that rates have not changed since 2010, the Committee object to the level of increase being proposed.</p> <p>When comparing against other neighbouring authorities, the Committee believe the cost to be too high. Using a 7 mile journey for comparison, the proposed charges will increase the cost of a journey from around £16.70 to £22.80. A similar journey via Uber is estimated at £11, whilst the cost of the same journey in Bracknell Forest is £15 and in RBWM is £17.50.</p> <p>The Committee believe rates should be comparable to those of neighbouring authorities.</p>	<p>Members will need to determine at the meeting if they agree to the variations as proposed by the trade or not.</p> <p>Members can look at comparison tables at: https://www.phtm.co.uk/news/paper/taxi-fares-league-tables which compares a 2 mile journey on tariff 1. It should be noted that a 2 mile journey on tariff 1 under the proposed scheme would cost £8.13</p>

Appendix B

Wokingham Borough Council Hackney Carriage Table of Fares (Implementation date 1 May 2014)		
Tariff 1	For hiring between 6am and 11 pm For a journey of up to 836 yards or 190 seconds or part thereof	£3.00
Tariff 1	For each subsequent 167yds or 38 seconds or part thereof	20p
Tariff 2	For hiring between 11 pm and 6 am Except All day Bank and official Public Holidays (exceptions see Tariff 3) Between 6 am and 11 pm on 24 and 31 December	Additional 50% on Tariff 1
Tariff 3	For hiring <ul style="list-style-type: none"> • After 11 pm 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

Extra Passengers:

An additional 50p per person will be added where a vehicle is carrying more than four passengers regardless of the time of day

Extra charges:

Fouling of Vehicle Exterior	£10
Fouling of Vehicle Interior	£50

WOKINGHAM BOROUGH COUNCIL HACKNEY CARRIAGE FARE CHART effective 1 April 2022 FARES FOR DISTANCE AND TIME					
All distance and time charges include uncompleted parts thereof					
Tariff 1		Tariff 2		Tariff 3	
For hiring between 06:00 and 22:30 Monday to Sunday		For hiring between 22:30 and 06:00 Monday to Sunday For hiring on Bank and Public Holidays For hiring on Christmas Eve and New Year's Eve from 18:00 until 22:30		For hiring after 22:30 on Christmas Eve and New Year's Eve For hiring all day on Christmas Day and New Year's Day For hiring all day on the 26 December until 06:00 on the 27 December	
£3.00	For the first 440 yards or 150 seconds	£4.50	For the first 440 yards or 150 seconds	£6.00	For the first 440 yards or 150 seconds
20p	For each subsequent 120 yards or 30 seconds or part thereof	30p	For each subsequent 120 yards or 30 seconds or part thereof	40p	For each subsequent 120 yards or 30 seconds or part thereof
If the journey takes the taxi outside the Wokingham Borough Council area the driver MUST still charge in accordance with the above scales unless they have agreed otherwise with the hirer before the journey has started. These are the maximum fares chargeable.					
Any complaints about a taxi or a driver should be directed to Licensing@Wokingham.gov.uk quoting of possible the taxi plate number and or the driver's badge number					
These prices do not apply to vehicles booked through a private hire operator.					
Extra Charges					
Fouling of vehicle – interior (£75) Fouling of vehicle – exterior (£15)					
When this vehicle is carrying more than 4 passengers, a surcharge of £2.00 per additional passenger.					
This will not be shown on the meter					

Comparison of costs of a two mile journey	
Costs of a two mile fare across 352 local authorities as at 17 February 2022 can be found at: https://www.phtm.co.uk/newspaper/taxi-fares-league-tables .	
A selection are set out below	
Authority	2 Mile Fare
London Heathrow (most expensive)	£11.40
Wokingham (110 tariff rate)	£8.60
Wokingham (trade request rate)	£8.13
Reading	£8.00
Guildford	£7.60
Oxford City	£7.60
West Berkshire	£7.40
Wiltshire	£7.00
Vale of White Horse	£6.90
Hart	£6.80
Basingstoke & Deane	£6.60
Runnymede	£6.60
Bracknell Forest	£6.60
Rushmoor	£6.40
Surrey Heath	£6.40
Windsor & Maidenhead	£6.40
Wokingham (existing rate)	£6.21
Spelthorne	£6.20
West Oxfordshire	£6.20
Slough	£6.00
South Oxfordshire	Not Listed
Pendle	£4.40
<i>Lowest fee listed</i>	

Response from taxi trade to consultation responses

21/02/2022

Thank you so much for informing us about the outcome of the consultation. As you mentioned the consultation was published in the local paper, PPP website, Shute End notice boards and social media posts were put out to sign post residents to the consultation.

The population of Wokingham residents at last census was more than 171000 people, of whom approximately 20% are children, which means 80% or 136800 are adults who were potentially reached by the various means. You received 5 comments of which 3 were objections. That is 0.00002% (two hundred thousandths of 1 percent approximately) of the potential adult population.

The process from our request and proposal through to the committee meeting and the following consultation has been both expensive and somewhat arduous but necessary. It is good to hear both sides of the debate and it is very reasonable to ask for a justification for our current request in the way we presented it which perhaps lacked some convincing explanation, however, knee jerk reactions should be avoided as we are reminded that Wokingham council is committed to balancing the legitimate aims of the taxi trade to maintain profitably in the face of increasing costs, while protecting the public from excessive fares.

Please allow me to respond to each objection individually and try to alleviate the objector's concerns;

1- Resident 1 raises good points about how the increase in fares will make it prohibitive for many who rely on taxis for health matters e.g. hospital appointments and those social care staff needing to go to work and also induced risk to people walking home late at night.

In my 24 years as hackney driver at station I can assure you that 99.9% of people with hospital appointments call a private hire company to take them directly from home to Royal Berkshire Hospital for non metered £18 to £20 rather than walking to a designated taxi ranks for a ride where the taxi driver would have to put the meter on, e.g. from station to Royal Berkshire hospital approximately £15.

As for the social care staff, many of them are known to us and get a fixed price that they are happy with, for example several social care staffs go to Ravenswood village. On the meter, with a clear run with no traffic at 6 am it would go £10.60 and at 8am in traffic can go £13 or more. They are always charged £10 since 2010.

People who go out at night to the red lion, Gig house or such like, usually plan their night with a budget for drinking, eating, smoking and finally perhaps sharing a taxi home or get a cheaper UBER.

Mail online;

Expect to pay MORE at the pub! Price of beer, wine, G&T, crisps and food is set to SOAR by as much as 20% due to rising energy fees and supply chain crisis

- UKHospitality has warned customers face an increase in restaurant and pub bills of up to 20 per cent this year*
- Trade body say drink prices could rise by up to 14 per cent and food bills could rise by as much as 17 per cent*
- They say the price rises come due to huge increase in energy costs, labour costs and the return of 20% VAT*
- Price rise warning comes as High Street bakery Greggs today said it would have to raise prices by up to 10p*

As you can see from the recent head lines every thing has been going up in prices every year and more so this year but that won't stop people going out to buy drinks, food and cigarettes. They always adjust their budget accordingly instead of arguing with the bartender to drop the price of a pint down or ask the restaurant to reduce the price of their meal to what it was in 2010. We take safety of our passengers very seriously but we can not accept the premise that our legitimate request after 11 year introduces risks that other inflationary price rises have not already introduced.

2- Resident number 2 seems to be happy with the rise as there are other cheaper options such as UBER and we agree

3- Resident number 3 also seems fair and we agree with the comments

4- Next comment is from the meter company. I think we should go with 110 seconds or the next increment up closer to the target 150 seconds if technically possible, with the least deviation from the proposal, avoiding meter removal costs.

5- Final comment is from Town Council. We think it is wrong to compare hackney taxis with UBER. They are 2 distinctly different business models both for the driver and the vehicle but to the untrained eyes of a passenger the only difference is the price. It is our job to inform and explain the difference.

A traditional licensed Wokingham dual driver must adhere to the local laws set by the council of which there are many, and any infringement of those laws will give the council the power to revoke the license. All drivers are known to the council and their identification, addresses, phone numbers, CRB criminal record and medical tests are checked regularly by the council officers who are responsible for the safety of local people.

Wokingham licensed taxis must be adapted to carry wheelchair users. These adaptations makes the vehicle upwards of £5000 more expensive to buy which is unrecoverable during the lifetime of the car, extremely difficult to sell at a reasonable price and relatively rare to buy again. These are heavy permanent conversions, hence cause high fuel consumption. They are also high mileage therefore have high maintenance costs if you can't afford to buy new again. They are tested twice a year for safety.

In return drivers used to feel their territory was guarded by the council where they are licensed. For example if I take a passenger to Bracknell and charge £12 on the meter, I have to switch my taxi sign off and come all the way back to Wokingham empty before I

can ply for hire again. Another words touting with my top taxi light on, in other areas is not allowed.

None of the UBER drivers are known to the council and Public protection partnership has no control over the safety of the local residence once they are in an UBER car. UBER has managed to turn the anti touting rule on it's head. No taxi light needed, just an App on a phone would work as a disguised tout in any district. They will pick up from Wokingham to Bracknell for £10 but don't need to come back empty as there will be a job waiting in Bracknell for them. They don't need to carry a 200kg wheelchair adoption so can discriminate against some disabled people by default. They use efficient electric or hybrid cars non converted cars. Changing them every 3 years is quick and easy and avoids costly high mileage maintenance like ours.

Some passengers may think that we are over charging by £2 but they are unaware of the uneven playing field unless it is explained to them. UBER is here to stay and offers an alternative option for those who feel it provides better value but we can not compete with them on price only when our hands are tied by laws that do not apply to them.

I hope this goes someway to explain our predicament when the panel are discussing the issues.