



Committee report

Committee	LICENSING COMMITTEE
Date	29 MAY 2019
Title	DETERMINATION OF THE TABLE OF FARES IN RESPECT OF HACKNEY CARRIAGES
Report of	DIRECTOR OF NEIGHBOURHOODS

EXECUTIVE SUMMARY

1. This paper recommends increasing the taxi fares following a consultation with the taxi trade and the public.

BACKGROUND

2. Individuals who wish to use a vehicle for hire and reward require licensing by the local authority under Part II of the Local Government (Miscellaneous Provisions) Act 1976 (the Act). Licensed vehicles are also regulated under the Town Police Clauses Act 1847.
3. A vehicle referred to as a Hackney carriage under this legislation is required to have a taximeter which dictates the maximum fare a proprietor may charge for each journey.
4. Under section 65 of the act, a local authority may fix the rates or fares and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle in respect of Hackney carriages. This is referred to as a "table of fares" and this tariff is to be displayed in each Hackney carriage.
5. The Isle of Wight Council's current table of fares detailing the maximum fare a Hackney carriage proprietor may charge has been attached as Appendix 1.
6. The Licensing Committee on 28 January 2019 determined to increase the table of fares in line with the recommendation of the report. At this stage the council was legally required to post a notice in the local press setting out the proposed changes and was legally bound to consider any comments which were received following the publication.
7. In total 25 taxi proprietors responded, this was 18 more than responded to the consultation undertaken in October. Of these, 20 signed the same document recommending a tariff proposal.

8. The responses to the consultation in October 2018 were used to inform the previous recommendations presented to the January 2019 Licensing Committee and officers felt at the time based on the responses received the recommendations at that time were correct.
9. At the Licensing Committee on 28 January the following amendments were determined:
 1. Increase the flag drop for tariff 1 to £3.50.
 2. Increase the cost per mile of tariff 1 to £1.90.
 3. Alter the start time for tariff 2 to 8pm.
 4. Remove the ability for proprietors to charge for card payments.

STRATEGIC CONTEXT

10. Taxis provide an integral part of the transport network on the Island and therefore form part of and contribute to the island's economy. Taxis offer a more personal and bespoke public transport service to residents, businesses and visitors. This allows people to access parts of the Island and businesses where other timetabled transport providers are unable to do so they simply provide a door to door service at any time of the day.
11. By its legislative powers, the council can control the fares taxi proprietors are able to charge, and this will ensure that the trade can operate viable businesses and that the public can get value for money.
12. The review of the Hackney carriage table of fares fits in with the council's priority of 'delivering economic growth and prosperity'.

CONSULTATION

13. This consultation was undertaken as a legal requirement following the decision taken by the Licensing Committee on 28 January 2019.
14. Twenty-five written responses were received which have been attached as Appendix 2.
15. The 20 who signed the same proposals recommended the following changes to the table of fares:
 1. Keep the tariff 1 flag drop to £3.
 2. Increase the cost per mile on tariff 1 to £2.
 3. Make no changes to the times when tariff 2 can be charged.
 4. No other changes.
16. Another suggested that there shouldn't be any change to the existing table of fares.
17. One had serious concerns that customers who are already feeling monetary restraints from many other quarters will consider not using taxis as much putting our business at risk. He also felt night time trade could suffer

considerably if the time tariff 2 could be applied was to change to an earlier time. He wasn't totally against the day time changes as there hadn't been a rise for seven years.

18. A proprietor believed a more realistic flag drop would be £4 for three quarters of a mile, (currently half mile) and then £2 per mile thereafter. In addition he felt that starting tariff 2 at 8pm would be a waste of time, as most Island residents struggle to afford the daytime rate.
19. He also suggested that it would also be logical to look at standardising bank holidays as many visitors find the rates vary daily and suggested that tariff 2 would be probably the best option for the whole weekend except for Christmas and New Year's Day, a 6pm hours start on New Year's Day for rate 2 would also be an idea.
20. One suggested the credit card surcharge as set out by the Industry for Finance should be removed. He did rise another of other issues, these however did not directly relate to changes to the table of fares.
21. The final representation did not think the change of the tariff is a good idea as we have enough trouble trying to get people to use taxis as it is and deal with a lot of complaints about taxi prices already. However, he did agree with increasing the £3.50 standing charge. He also raised some concerns regarding how a 10p increase would be recorded on the meter and thought bringing the tariff 2 to 8pm will cause the drivers a lot more aggro from the public.
22. He proposed to do away with tariff 2 altogether and only have two tariffs, with the time of them being 7am until 11pm using tariff 1 and tariff 3 charges respectively.

FINANCIAL / BUDGET IMPLICATIONS

23. Council expenditure on taxi related matters is balanced from income generated from fees. The fees are set by the council and represent the full costs of administering and the enforcement of matters relating to taxi licensing.
24. If the committee determined to amend the table of fares, all the taximeters currently in use in licensed vehicles will need to be adjusted and re-sealed to reflect the amended maximum fares. There are currently 204 hackney carriages on the Island, all of which will need to go through the process mentioned above. It is estimated that it will take 15 minutes per vehicle, which totals 50 hours of officer time.
25. There will be a need to hire a suitable location for this to be undertaken. This will be met from the existing budget. It may be possible to find a suitable council owned location which could be used free of charge.
26. If the table of fares is amended there will be a charge made to update every meter, the cost of this will be governed by the contractor responsible for

updating the meters who has advised it will be approximately £25 per meter. This cost would be covered by the operator of the vehicle.

CARBON EMISSIONS

27. There are no implications in this report for the council's Carbon Management Plan

LEGAL IMPLICATIONS

28. The legislation relevant to licensing vehicles for hire and reward is Part II of the Local Government (Miscellaneous Provisions) Act 1976 ("The Act") and The Town Police Clauses Act 1847.
29. Section 65 of the act allows the council to fix the rates or fares within the district for time, distance and all other charges in connection with the arrangements for the hire of a Hackney carriage.
30. The local authority must consider the objections received during the consultation period and shall then determine the fares to be fixed for the purposes of section 65 of the act. The local authority must also determine and publish a revised implementation date.
31. There is no right of appeal against the level at which the council determines the table of fares. However, any decision taken by the Licensing Committee should be based upon proper reasoning as it may be liable to legal challenge by way of judicial review.

EQUALITY AND DIVERSITY

32. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
33. The equality impact assessment has been completed, no adverse impacts were identified to the protected characteristics.

OPTIONS

34. Option 1: To make no changes to the existing table of fares.
35. Option 2: To adopt the table of fares as determined at the Licensing Committee on 28 January 2019 such fares to come into effect on 29 July 2019.

36. Option 3: To amend and adopt the existing table of fares as recommended in section 44 of this report such fares to come into effect on 29 July 2019.
37. Option 4 To amend and adopt the existing table of fares in another format agreed by the licensing committee such fares to come into effect on 29 July 2019.

RISK MANAGEMENT

38. With regard to Option 1: Should the committee decide not to make any amendments to the existing table of fares, there is no right of appeal against this decision, although the decision may be challenged by way of judicial review.
39. It should be noted that the fares set by the council are maximum fares, drivers can charge a lower amount if they wish.
40. With regard to Options 2, 3 and 4: Should the committee determine a proposed increase to the maximum fare Hackney carriage proprietors may charge, there is a risk of a detrimental impact on the number of customers using taxis and therefore a subsequent financial impact on taxi proprietors through lack of custom. There is no right of appeal against this decision, although the decision may be challenged by way of judicial review.
41. All options: There is a risk that someone could challenge the decision-making process by way of judicial review. Officers feel that the correct process has been correctly followed and to date no decision taken by the council in relation to the table of fares has been challenged.

EVALUATION

42. Officers believe that when determining what changes, if any are made to the table of fares the views of the taxi trade is paramount in understanding if there is a need for any changes. The trade felt strong enough to make representation with 20 agreeing with one proposal. A collective approach hasn't happened for several years and demonstrate how passionate they feel about what should be changed.
43. As a result of the collective approach officers feel that these comments should be given greater weight than those received in previous consultation which was used to inform the recommendation of the report submitted to 28 January 2019 Licensing Committee and feel the decision reached that day should be reconsidered.
44. This report therefore recommends the following changes to the current Hackney carriage table of fares should be implemented:
1. Increase tariff 1 cost per mile to £2.
 2. Remove the ability to charge a fee for card payments.
 3. The fares will come to come into effect on 29 July 2019.

45. Most of the responses suggested there should no change to the flag drop or altering the time when tariff 2 would come in to affect, officers therefore recommend that there is no need to amendment to these parts of the table of fares.

RECOMMENDATION

46. Option 3:

To amend the existing table of fares as recommended in section 44 of this report.

APPENDICES ATTACHED

[Appendix 1](#) Current Hackney carriage table of fares.
[Appendix 2](#) Consultation responses.

BACKGROUND PAPERS

[Licensing Committee – 28 January 2019](#)

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