



Purpose: For Decision

Licensing Committee

Date **28 FEBRUARY 2022**

Title **REVIEW OF HACKNEY CARRIAGE TABLE OF FARES**

Report of **DIRECTOR OF NEIGHBOURHOODS**

EXECUTIVE SUMMARY

1. This report provides information to the Licensing Committee to enable them to make a decision on whether the Hackney Carriage Table of Fares should be increased.
2. Following two consultations with the trade and completing the established formula for calculating fares, the results suggest that an increase to the Table of Fares is justified. This is mainly due to increase in running costs for a taxi along with the recent increase in fuel costs.

RECOMMENDATION

- | |
|--|
| <ol style="list-style-type: none">3. That the existing Table of Fares be agreed as amended in Appendix 4 to this report, and that statutory notice of the amended Table of Fares be duly published in at least one local newspaper circulating in the area setting out the amended Table of Fares, stating in that notice a specified period, of not less than 14 days, within which objections can be made, and that such notice be made available for public inspection at the offices at County Hall. |
|--|

BACKGROUND

4. Individuals who wish to use a vehicle for hire and reward require a licence issued 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.
5. A vehicle referred to as a Hackney carriage under this legislation is required to have a taximeter which dictates the maximum fare the driver can charge for each journey. It should be noted that the fares set by the Council are maximum fares, drivers can charge a lower amount if they wish.

6. 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"; this tariff is to be displayed in each Hackney carriage.
7. The Licensing Committee previously resolved to only receive a report, if following an annual review by staff, they believe the Table of Fares should be amended.
8. 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.
9. The most recent Table of Fares was introduced in May 2019 only made changes to Tariff 1. There have not been any changes to the other tariffs or charges since 2014.
10. The Table of Fares is split into four tariffs. The use of the tariffs at different times of days is common practice throughout the country. Extra charges are also commonly permitted for luggage, carrying animals and tolls/parking charges etc.
11. The fare increases at the beginning of each 440 yards (quarter mile).
12. There is no standard method for calculating fares. Each local authority determines how the fares should be calculated or determined and the method chosen should be fair and appropriate. Councillors have previously determined to use the following calculation formula:

The average cost of running a vehicle per mile, multiplied by Average taxi mileage, plus average salary for relevant role provided by Office for National Statistics, plus Hackney carriage licence fee, plus additional cost for insurance and maintenance divided by average paid miles = COST PER MILE

13. Neither the AA or RAC now publish the average cost of running a vehicle, therefore staff have added the RPI index inflation figure and have consulted with Guildford City Council who also use the same calculation process to calculate their fares.
14. A review has recently been carried out using the calculation process to determine whether an increase in the fares is necessary. The calculations do indicate that the costs of running a taxi have increased and an increase to the Table of Fares could be justified.
15. The following information will provide the committee with a comparison of the current fares on the Island against other areas in the country. The journey costs and comparisons provided below are based on tariff 1 which is currently charged between 8am and 10pm. The data was obtained from the November 2021 edition of Private Hire and Taxi Monthly, a recognised national publication for the taxi trade.

a) Flag drop

Flag drop refers to the initial charge at the start of the journey and would be the minimum charge of a taxi fare. The current Table of Fares has a flag drop on tariff 1 (initial charge on meter) of £3.00 which covers the first half mile of any journey.

b) Two-mile journey

A two-mile journey using the current tariff 1 fare charged on the Isle of Wight is £6.00. This places the Island fare as the 182 out of 353 local authority areas.

c) Highest and lowest two-mile journey

The most expensive is London Heathrow Airport at £11.40 and the cheapest being Middlesbrough at £4.30.

16. There are six local authorities who do not set a Table of Fares for their area.
17. When discussing the waiting time values with the meter companies, they explained that the amount should be equal to the quarter of a mile increase for that tariff.

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

Corporate Aims

18. The Safe and sustainable public transport supplied by taxis is an essential part of the economy by providing transport to and from retailers, entertainment, and hospitality venues.
19. Taxis are an integral part of providing public transport at all times of the day and ensures that safe travel is always provided by licenced and vetted drivers. The Statutory Taxi and Private Hire Vehicle Standards ("the Standards") issued under the Policing and Crime Act 2017 that were published in July 2020. The focus of these standards is on protecting children and vulnerable adults.
20. The Hackney Carriage and Private Hire Policy relates to several corporate priorities of the Isle of Wight council Corporate plan 2021-2025, but specifically 'Deliver the Statutory Regulatory Functions to Keep the Island Businesses, Residents, and Visitors safe from Harm'.
21. In addition, the following Core Values also apply:
 - Being community focused – wherever possible putting the needs of our residents first.
 - Working together – engaging with partners to make the most of integrated working
 - Being effective and efficient – being the best we can in how we organise and deliver our services
 - Being fair and transparent – making decisions based on data and evidence and in an open and accountable way

Responding to climate change and enhancing the biosphere

22. Although transport providers have a significant effect on the carbon footprint, the setting of fares has no direct correlation.

Impact on Young People and Future Generations

23. The setting of fares does not have a unique impact on young people. The costs of school transport are managed through the School Transport team using individual contracts which are not subjected to the Table of Fares.

24. The only impact could be the affordability of fares for young people when having to use public transport. The costs of taxi travel are the same regardless of the customer.

CONSULTATION

25. In November 2021 the Licensing team undertook a consultation with the local taxi trade to gauge their opinion on whether the Table of Fares should be increased.
26. This consultation resulted in more responses than received in previous consultations on fares. Most of the comments received suggested that an increase was needed.
27. The main justifications for an increase were the increase in running costs, including servicing, insurance, parts and the costs of fuel. Some used Covid as a reason.
28. The replies suggested various options, including times when the tariffs would apply, increasing just the flag drop, the costs per mile or a combination of all of these.
29. Staff have collated these and produced a document, (Appendix 2) setting out the various options, this was then circulated to all proprietors on 18 January 2022 for them to select which they felt would be the best option. They were encouraged to consider both the economic viability of running a taxi as well as considering if a fair price would be charged to the customer.
30. 35 replies were received. Option 4 was preferred by the trade; the results are attached as Appendix 3.

FINANCIAL / BUDGET IMPLICATIONS

31. The Council's 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 matters relating to taxi licensing.
32. Should the committee decide to modify the table of fares, there will be a cost for the notice to appear in the local newspaper which will be up to £500 and will be met from the existing budget.
33. 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 184 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.
34. There will be a need to source 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.
35. 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 in 2019 charged £25 per meter. This cost would be covered by the operator of the vehicle.

LEGAL IMPLICATIONS

36. 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.
37. 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.
38. If a Council proposes to amend its table of fares, a notice to that effect must be published in at least one local newspaper, circulated in the area, setting out the proposed Table of Fares or the variation thereof and specify the period and in a way people can object. This period shall be a minimum of 14 calendar days. A copy of the notice is to be available at the Council offices for public inspection for no less than 14 calendar days.
39. 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 later.
40. The local authority must consider any objections received during the consultation period. It must also publish a revised implementation date while these comments are being considered. The revised date must be within two months of the original implementation date. It is advised that the matter is brought back for a committee decision if valid objections remain outstanding at the end of the first published date.
41. 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

42. A further consultation and decision by Committee will need to be undertaken before any amendments can be made, therefore, there is no need to complete an equality impact assessment (EIA) at this stage as the last one completed remains valid until any changes are made.
43. The Table of Fares will apply to all, apart from assistance animals which travel free of charge whilst an additional fee could be charged for other animals.

OPTIONS

44. Option 1: That the Committee do not make any changes to the existing Table of Fares.
45. Option 2: That the existing Table of Fares be agreed as amended in Appendix 4 to this report, and that statutory notice of the amended Table of Fares be duly published in at least one local newspaper circulating in the area setting out the amended Table of Fares, stating in that notice a specified period, of not less than 14 days, within which objections can be made, and that such notice be made available for public inspection at the offices at County Hall.

46. Option 3: That the existing Table of Fares be agreed as amended by the Committee during the hearing, and that statutory notice of the amended Table of Fares be duly published in at least one local newspaper circulating in the area setting out the amended Table of Fares, stating in that notice a specified period, of not less than 14 days, within which objections can be made, and that such notice be made available for public inspection at the offices at County Hall.

RISK MANAGEMENT

47. 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.
48. Option 2: 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. Any proposed changes will require a public consultation for a minimum period of 14 days. Any representation received during this period must be considered by this committee and a Table of Fares will need to be adopted. There is no right of appeal against this decision, although the decision may be challenged by way of judicial review.
49. Option 3: 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. Any proposed changes will require a public consultation for a minimum period of 14 days. Any representation received during this period must be considered by this committee and a Table of Fares will need to be adopted. There is no right of appeal against this decision, although the decision may be challenged by way of judicial review.
50. All Options: There is a risk that someone could challenge the decision-making process by way of judicial review. Staff feel that the correct process is being adhered to and to date no decision taken by the Council in relation to the Table of Fares has been challenged.

EVALUATION

51. From the responses received it was very clear that all wanted an increase to the fares. A breakdown of the results of the consultation can be found at Appendix 3.
52. The taxi trade association represents over fifty of the Island's proprietors/drivers. Staff have given their preferred option ten votes. It is right that their options are proportionately represented in the overall results.
53. In relation to the fares (cost per mile), the trade's preferred option was option 4, this was supported by the local taxi trade association.
54. This option increased the drop by 50p across all tariffs along with a 40p increase on the cost per mile on Tariff one, then each cost per mile increased by 50% for each tariff. This was the highest suggested increase which would mean that a 2-mile on

tariff 1 would increase by £1.10, a 5-mile journey by £2.30 and a 10-mile journey by £4.30. Appendix 2 details the fares for this proposal for certain distances and each Tariff. This option is highlighted.

55. Staff are concerned that this option will increase the fares substantially which the public were unlikely to support, although this is fully supported by most of the trade.
56. With regards to the times each tariff can be charged, the trade's preferred option was option 3. This includes Sundays in the same tariff as Bank and Public holidays, with no changes to the current times.
57. Including Sundays in the same Tariff as Bank and Public holidays will increase the costs of fares between 8am and 10pm on Sundays.
58. With regards to the additional costs there was a mixed response. Some wanted increases, whilst others were satisfied with the existing charges. Staff believe that there should be an increase to the soiling charge to £100 but agree with most of the replies that the cost per animal should be increased to £1 and luggage should remain as it is at 20p per item.
59. Staff are concerned that the Table of Fare proposal recommended by the trade is a significant increase, however it is important for the Committee to consider the wishes of the Trade and therefore it is recommended that consultation outlined within the legal implications section of this report is undertaken with the Trade's proposals, with an implementation date of 1st May 2022 if there are not outstanding representations after the consultation.
60. The Committee should note that if there are representations to the proposed revised Table of Fares received during the consultation, these will need to be reconsidered by this Committee.
61. The Trade's proposed Table of Fares is attached at Appendix 4.

APPENDICES ATTACHED

62. Appendix 1 Existing Table of Fares
63. Appendix 2 Taxi trade consultation document January 2022
64. Appendix 3 Results of January consultation
65. Appendix 4 Proposed Table of Fares

Contact Point: Kevin Winchcombe, Licensing and Business Support Manager
☎ 821000 e-mail kevin.winchcombe@iow.gov.uk

Colin Rowland
Director of Neighbourhoods

Cllr Ian Stephens
Deputy Leader and Cabinet Member for
Community Protection, Digital Transformation,
Housing Provision and Housing Needs