



Purpose: For Decision

Cabinet Report

Date **12 MAY 2022**

Title **SETTING THE HACKNEY CARRIAGE TABLE OF FARES**

Report of **DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITY PROTECTION, DIGITAL TRANSFORMATION, HOUSING PROVISION AND HOUSING NEEDS**

EXECUTIVE SUMMARY

1. This report provides information to the Cabinet 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 a public consultation 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

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| <ol style="list-style-type: none">3. That the Hackney Carriage Table of Fares be agreed as amended in Appendix 3 to this report and will come into effect from 1 June 2022. |
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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 Cabinet 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

Responding to climate change and enhancing the biosphere

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

Economic Recovery and Reducing Poverty

19. Taxis are an important part of the public transport infrastructure during both the daytime and night-time economies. Especially to the hospitality trade which was significantly affected by the pandemic and as a result is in recovery.
20. It essential that fares are appropriately set, considering the costs incurred by the operator but remaining affordable to the public to use.
21. If fares are set incorrectly, this could lead to operators going out of business due to fares not being high enough to cover costs or lack of business because the fares are unaffordable.

Impact on Young People and Future Generations

22. 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.
23. 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.

Corporate Aims

24. 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.
25. 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.
26. 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’.

27. 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.

CONSULTATION

28. 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.
29. This consultation resulted in more responses than received in previous consultations on fares. Most of the comments received suggested that an increase was needed.
30. 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.
31. A report was written and presented to the Licensing Committee on, who determined to increase the Table of Fares and to undertake the public consultation required by the legislation as outlined within the legal section of this report.
32. The Public Consultation took place between 4th & 25 March 2022.
33. During this consultation five representations were received. Four objected to the increase with the fifth offering an alternative table of fares. Two of the representations were made by members of the taxi trade.
34. Below are some of the comments received within the objections.
- (a) I believe this will lead to a significant drop in business for the taxi trade, particularly during night-time hours. This will in turn, hurt other businesses such as pubs and restaurants.
 - (b) Could lead to an increase in drink driving.
 - (c) It is also unnecessary to move Tariff 2 to 8pm, and to change the Sunday hours.
 - (d) At a time where less domestic car use should be encouraged; at a time when the hospitality trade needs all the help it can get; in a county where large areas have little or no bus service; in a county where the taxis are already beyond the affordability of many, not to mention discouragement of drink driving; the increase in taxi fares is incomprehensible.
 - (e) Our members who are all blind and partially sighted rely on taxis, many on a daily basis, and with only 16% of members of a working age in employment, funds are simply not available to sustain such a hike in prices.
35. All representations in full can be viewed in Appendix 2.

FINANCIAL / BUDGET IMPLICATIONS

36. 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.
37. If the Cabinet determines 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.
38. 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.
39. 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

40. 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.
41. 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.
42. 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.
43. 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.
44. 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 Cabinet decision if valid objections remain outstanding at the end of the first published date.
45. 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

46. The Table of Fares will apply to all protected characteristics and therefore no one will be disadvantaged. Assistance animals travel free of charge whilst an additional fee could be charged for other animals.

OPTIONS

47. Option 1: That the Cabinet do not make any changes to the existing Hackney Carriage Table of Fares.
48. Option 2: That the Hackney Carriage Table of Fares be agreed as amended in Appendix 3 to this report and will come into effect from 1 June 2022.
49. Option 3: That the Hackney Carriage Table of Fares be agreed as amended by the Cabinet during the meeting and will come into effect from 1 June 2022.

RISK MANAGEMENT

50. Option 1: Should the Cabinet 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.
51. Option 2: Should the Cabinet 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.
52. Option 3: Should the Cabinet 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.
53. 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

54. The Cabinet must consider if the fares will be so high that there will be a significant reduction in businesses for the taxi operators. This is of course is unknown. In addition, the Cabinet must ensure that the Fares enable taxi businesses to operate and make a profit. During the second consultation undertaken with the Trade in February, the proposed table of fares was generally supported by the majority. Licensing Officers would have hoped that the operators would have considered the reduction in business when proposing the increases, they did during that consultation.

55. It is not for this Cabinet to consider if people will engage in drink driving if the fares are increased. Drink driving is a serious offence which has its own set of statutes which are enforced by the police.
56. The majority of taxi operators felt that Sundays should be charged at a higher rate to acknowledge drivers working on a Sunday. Licensing Officers believe that Sundays are nowadays more of a normal weekday, with many businesses, especially in the retail and hospitality industries working the same as any other weekday. The removal of Sundays back to tariff one could be made. Both Southampton and Portsmouth include Sundays in the same tariff as Bank and Public Holidays.
57. It is very difficult to predict if vehicle usage will increase due to these increase in fares. As this report has highlighted, the Cabinet must ensure that the fares are proportionate and affordable, but still ensuring that taxi operators have a viable business so that this important service can be delivered.
58. An alternative option for the Table of Fares was received after the consultation period from a member of the trade. This is a new option which was similar to one of the options considered in the second consultation with the trade in January 22. During that consultation. This option doesn't alter the preferred option selected by the trade which led to the creation of the Table of Fares which was subjected to the formal public consultation.
59. It should be noted that these are maximum fares and agreements can be made between a customer and an operator to provide cheaper travel for regular customers.
60. Licensing Officers are aware that many other authorities are currently undertaking reviews of their Table of Fares. As an example, Southampton are proposing an increase for a two-mile journey during the daytime from £6:20 to £7.60. The proposed fare increase for the Isle of Wight for the same journey would be from £6:00 to £7:10. Please note that this is a proposal not a decision.
61. Due to the small number of replies received from the public consultation, considering the results of the two consultations undertaken with the trade along with the huge increase in fuel costs, the Licensing Department propose that the Table of Fares at Appendix 3, which was agreed at the Licensing Committee meeting on 28 February 2022 should be adopted by the council and should come into effect on 1 June 2022.

APPENDICES ATTACHED

Appendix 1 Existing Table of Fares

Appendix 2 Public Consultation Responses

Appendix 3 Proposed Table of Fares

BACKGROUND PAPERS

[Licensing Committee Report and Minutes for meeting held on 28 February 2022.](#)

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