

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

07 JUNE 2022

Title:

HACKNEY CARRIAGE TARIFF FARE SCALES – REVIEW

Portfolio Holder: Cllr MacLeod, Portfolio holder for Enforcement, Operations and Brightwells

Head of Service: Richard Homewood
Head of Environmental & Regulatory Services

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 From time to time the Hackney Carriage trade requests that we, the Council, increase the amount that they can charge their customers, the last such request was in February 2014. This report sets out the recent history and current fare levels in Waverley.
- 1.2 The decision on whether to increase the maximum fare level is an Executive function. On the 29 March 2022 the Executive agreed to advertise/consult on a new maximum fare tariff.
- 1.3 Following consultation (from 01 April to 18th April) officers received 3 comments. The Executive is being asked to consider the 3 comments received and agree the new maximum fare tariff (with or without modifications) to come into effect on the 17 June 2022.
- 1.4 The Licensing & Regulatory Committee 23 May 2022 considered the report and recommended that the Executive agree the proposed advertised new maximum fare tariff (with the addition of a discretionary booking fee element of £1 modification) and to agree that the maximum fare tariff comes into effect on the 17 June 2022 (within 2 months of the first specified date - last date for objections on the scale of fares consultation 18 April 2022). A copy of the minutes is attached at Annexe 6.

2. Recommendation

It is recommended that

- 2.1. the Executive considers the comments, the Licensing & Regulatory Committee recommendation and agree the maximum fare tariff (with or without modifications).
- 2.2. the Executive's agreed maximum fare tariff comes into effect on the 17 June 2022 (within 2 months of the first specified date -last date for objections on the scale of fares consultation, 18 April 2022).
- 2.3 the Executive consider and decide the frequency of future reviews – (DFT current guidance consultation recommends every 12 months).

3. Reason for the recommendation

3.1 The recommendation is in response to the request from the Hackney Carriage Operators for a review of fares and subsequent comments made following consultation on the scale of fares. It is important to find a balance between the income generated by Taxi Drivers, to cover their day to day costs and the costs associated with the licensing process, as well as setting fares which meet the needs of residents and visitors to the area.

3.2 The hackney carriage fare review process has been carried out historically on an ad hoc basis and upon request. Department for Transport guidance on 'Taxi and private hire vehicle licensing: best practice guidance' (March 2022) confirms that fare scales should be 'designed with a view to practicality' and it is good practice 'to review the fare scales at regular intervals'. The guidance also suggests that 'Authorities may wish to consider adopting a simple formula for deciding on fare revisions as this will increase understanding and improve transparency of the process'. Further, that in reviewing fares authorities should 'pay particular regard to the needs of their 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'.

4. Background

4.1 Hackney carriages are available for hire at taxi ranks and can ply for hire in the District. The maximum fares for hackney carriages are set by the Council and are displayed on a compulsory taximeter fitted in the vehicle. The fare shown is the maximum that can be charged for the journey undertaken, but drivers are free to charge less than the fee calculated by the taximeter. If the journey takes the vehicle outside the council district then a different fare may be agreed before the journey begins.

4.2 Unlike hackney carriages, private hire vehicles must be pre-booked, and the fare should be agreed with the private hire operator before the journey commences. The maximum fares for private hire vehicles are not set by the Council (there is no power in legislation to do so), although proprietors may choose to have private hire vehicles fitted with a taximeter.

- 4.3 On 23 February 2014, the current scale of hackney carriage fares took effect. This current tariff is attached at Annexe 1. Prior to that tariff, increases in fares had happened in July 2012, August 2008, August 2006, December 2004, January 2003 and March 2002.
- 4.4 From time to time the Taxi trade requests that we, the Council, increase the amount that they can charge their customers. In the past the rates were set having taking suggested proposals from the trade, comparisons with neighbouring councils, officer comments and following consultation with the public and trade. Following the receipt of five comments, (two from individual licensees, and three with attached names and signatures from numerous licensees) regarding a review of the Hackney Carriage Tariff Fare Scale officers prepared a report for the Licensing & Regulatory Committee scheduled for 23 September 2019. As part of the report officers also requested the Committee to consider the questionnaire and the responses received in relation to a proposed format/template to calculate Hackney Carriage Tariff Fare scales (Guildford methodology). A copy of the report is attached at Annexe 2.
- 4.5. On the 23 September 2019 the Licensing & Regulatory Committee recommended that officers should draw up a new fare proposal using the Guildford methodology which uses a more transparent and robust methodology which has been subject to scrutiny by the High Court in the case of R (Rostron) v Guildford Borough Council and is seen as a template for other authorities. An article explaining the Guildford methodology and its creation is attached at Annexe 3.
- 4.6. Following The Committee Hearing on the 23 September 2019 officers worked on the figures for setting fares using Guildford Council's methodology as a template. Officers consulted with licensed drivers regarding the proposed new fare tariff using the Guildford methodology and were due to bring the comments to the Licensing & Regulatory Committee on 23 March 2020 for consideration. This was overtaken by circumstances due to the Council's reprioritisation of services connected to the Covid-19 outbreak etc., and with members' agreement, this meeting was postponed.
- 4.7. Officers updated the relevant figures in the Guildford methodology and subsequently, a proposed table of fares, a copy of which is attached at Annexe 4.
- 4.8. On the 29 March 2022 the Executive agreed that the proposed table of fares be published by way of a public notice in the local press, a copy of the notice be made available at the Council offices and a copy placed on the Council's website for a statutory period of not less than 14 days to allow for any objections to be made to the Council. The consultation started on the 01 April 2022 with a closing date for comments/representations of 18 April 2022. Details of the proposed table of fares was also emailed to all Waverley licensed drivers.
- 4.9. Three (3) comments/objections were received and are attached at Annexe 5.
- 4.10. The table below refers to the main points raised by the objectors with officers comments/reasoning to these points alongside.

Objection/comment raised	Officers Comment	Officers Recommendation
The trade were not consulted	The trade are always consulted. They were consulted re a fare increase and the Guildford methodology to which this respondent made comments. This consultation is also part of talking to the trade.	No further action.
The current fare proposal from the council does not cover the rise in costs over the time period	The Guildford Methodology takes into account the costs of running a licensed vehicle together with average salaries in Waverley, and enables fares to be calculated at a rate which will allow drivers to cover costs and earn the Waverley average salary over time (based on the average vehicle mileage). This procedure sets out the process used for calculating taxi fares and other charges, which includes a methodology (a process that sets out relevant cost factors); calculator (an excel spreadsheet containing the formula for calculating the fares), and table of fares (setting out the maximum permitted charges for each journey). The procedure also sets out the factors used when calculating the costs associated with operating a taxi in Waverley.	No further action
.... and could create issues for the public on short trips a few miles out of town and in rural areas.	Hackney carriages can only charge from pick up to drop off when the journey is within the Waverley Borough. Private Hire vehicles are able to cater for these scenarios	
Removal of the Booking Fee The vast majority of taxi trips are undertaken via a phone call to an operator	The Guildford Methodology, which has been subject to scrutiny by the High Court does not account for a booking fee. A hackney carriage can be pre booked like a private hire	No further action.

<p>and not directly off a rank.</p>	<p>vehicle but what differentiates it from private hire is that it can ply for immediate hire on a rank or be flagged down without the need for booking. Booking fees are more suitable for the private hire regime.</p> <p>The booking fee and using an Private Hire operator also causes confusion with the public as there is a maximum rate that a Hackney can charge whereas a PH can charge any agreed price. So if an operator quotes a price for a pre booked job that is more than the metered rate and a H/C carries out the job instead of a P/H for the set price then an offence will be committed if the journey is within Waverley.</p>	
<p>We need to encourage drivers back in the trade and we need to stop more departing.</p>	<p>Waverley Licensed Hackney Carriage Drivers: In 2013 – 224 In 2022 – 252 Our drivers have increased over the last 9 years by 28</p>	<p>No further action.</p>
<p>(I note in the email the council sent out, you listed the current first mile fare as £3.80, this is not correct. The 20ps are added at the start of each 128 yards not the end; so at the 1 mile point (1760yds) the meter is at £4.00 and with a booking fee at £4.60. (£3.40 for the first 1466 yards leaves 294 yards. $294 \text{ yard} / 146.6 \text{ yds} = 2.0054$ ticks, two completed ticks and the third just started, so the meter would just tick onto £4.00 at the 1759.3 yds. I only mention this as my charts first mile differs from the value</p>	<p>There are 1760 yards in a mile. Our current fare chart is in 12ths of a mile.</p> <p>The current flag drop of £3.40 is for a distance of 10/12 ths of a mile.</p> <p>$1760 \text{ divided by } 12 = 146.666667$ which has been rounded down to 146.6.</p> <p>Therefore 10/12ths of a mile is 1466 yards</p> <p>If you add another 2/12ths of a mile ($2 \times 146.6 = 293.2$) to the 1466 yards to make a mile you would technically (because of the rounding up of the division) be 0.8 of a yard (28.8 inches) short of a mile.</p>	<p>No further action</p>

<p>stated in the councils email.</p>	<p>So technically if you did an exact mile the meter would add another 20p but that would also take you to a distance of 1 mile and a further 145.8 yards.</p>	
<p>Waiting time; the council proposal has set the waiting time too high. At 20p per 22 seconds you have an hourly waiting time of £32.72 during the day, £49.09 at night. This is currently set £18 during the day, therefore a rise of over 81%. I would like to see this reduced and the savings in this area applied to other areas of the fare chart. This should be set to £24 an hour and £36 an hour at time and a half; 20p per 30 seconds during the day, 30p per 30 seconds at night and 40p per 30 seconds during double fare.</p>	<p>The waiting time is set by the Guildford methodology formula.</p>	<p>No further action</p>
<p>As mentioned, the trade is already 35% down on numbers as drivers have left the trade and have not returned. This creates a passenger safety issue where customers cannot get a taxi and could be left stranded.</p> <p>The risk of a passenger not being able to get a taxi is further increase when you combine a reduced minimum fare with the removal of the Booking fee.</p>	<p>As mentioned above Waverley Licensed Hackney Carriage Drivers: In 2013 – 224 In 2022 – 252 Our drivers have increased over the last 9 years by 28.</p>	<p>No further action</p>

<p>To address the issues laid out above I would like to propose an alternative chart as laid out in the attached documents. In summery (sic) I would propose:</p> <p>Initial Flag = £4.00 First Mile fare = £5.00 (matching the councils proposal) Running mile = £2.75 (20p per 128 yrds) (matching the councils proposal) Booking fee = £1.00 Sunday rate = £1.00 Per person fee above 4 people = £1.00</p>	<p>Objector is happy with the first mile fare and the running fare.</p> <p>The objector is unhappy with the initial flag of £2.40 for 128 yards and proposes £4.00 for 1152 yard.</p> <p>1152 divided by 128 = 9</p> <p>£2.40 (1 x 128 yards) + £1.60 (8 x 20p (for 8 x 126 yards) = £4.00.</p> <p>So the initial flag drop with the extra distance to make 1152 yards will be exactly the same just broken down into smaller chargeable units.</p> <p>I would suggest very few taxi journeys if any are less than 0.66 of a mile (1152 yards) and therefore the flag drop will not make a difference. If journeys of less than 0.66 were to occur I would guess that they are more likely for the elderly, disabled and they should not be disproportionately charged.</p> <p>Comments re booking fee made above.</p> <p>Sunday Rate – no comment</p> <p>Per person fee above 4 people =£1.00 – currently 30p for every passenger in excess of one. -</p>	<p>No further action</p> <p>No further action</p> <p>No further action</p>
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4.11 For comparison purposes, the Private Hire & Taxi Monthly (PHTM) monthly news magazine produces a league table of the cost of a 2-mile Hackney Carriage fare on Tariff 1 (generally for any hiring during the daytime other than a public holiday) nationally every month which represents all 355 Councils.

According to the table for May 2022, Waverley's current position is 134 with a 2-mile journey listed as costing £6.40. (Note: This is incorrect as a 2-mile journey

would cost £6.20 which would place Waverley along with 18 other councils in positions 157 to 171).

If the new proposed fare chart was to come into effect a two-mile journey would cost £7.72 which would put Waverley into 16th position in the league table.

It is unclear whether the league table takes into account booking fees, however, if a further £1 was added onto the fare for a booking fee it would put us in 6th position overall, although this could change if other councils have a booking fee, and they are not accounted for in this league table.

By way of information, Guildford Borough Council currently sit in 19th position (£7.60 journey cost) and they do not have a booking fee element. Currently Epsom and Ewell feature at 2nd position (£9.80/2 mile journey. Surrey Heath appears in 15th place (£7.80), Rushmoor at 22nd place (£7.60), Basingstoke and Deane at 87th place (£6.60), with Runnymede similarly at £6.60.

For full details of the league table please see the link below
<https://www.phtm.co.uk/taxi-fares-league-tables>

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 Relevant matters within the Corporate strategy to this report are :-
a thriving local economy, supporting business and employment;

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Provision is made in the Council's existing budget for the licensing service which is run on a costs recovery basis. There are no further financial implications arising from the recommendations of this report.

6.2 Risk management

There are legal, reputational and possible financial risks if the Council does not follow the correct procedures.

6.3 Legal

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that in respect of the charges for Hackney Carriages the Council may fix the rate or fares within the district as well as for time as distance and all other charges in connection with the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table.

In order to set hackney carriage fares, the procedure in Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 must be followed. There is no right of appeal in respect of the setting of fares. Relevant Department for Transport (DfT) guidance is referenced within the report.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the Council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

There are no direct climate or sustainability implications in this report.

7. Consultation and engagement

7.1 Consultation took place between 01 April 2022 and 18 April 2022 with the public and trade to increase the maximum fare level for Hackney Carriages as set out in the report.

8. Other options considered

8.1 The Council can decide not to increase hackney carriage fares as part of this review although this option is not considered desirable as it would result in an owner-driver not being able to fully recover the costs which will be incurred by them to operate and maintain their hackney carriage to a high standard. The process complies with the requirements of the Local Government (Miscellaneous Provisions) Act 1976, however, the option of revising the proposed fares is available.

9. Governance journey

9.1 Trade and Public Consultation with final recommendations to Executive.

Annexes:

Annexe 1 – Current Hackney Carriage Tariff Card

Annexe 2 – Licensing & Regulatory Committee 23 September 2019 Report.

Annexe 3 – An article explaining the Guildford methodology

Annexe 4 – A proposed table of fares using the Guildford methodology

Annexe 5 – Comments from consultation

Annexe 6 – Minutes of L&R Committee 24 May 2022

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: date

Head of Finance: date

Strategic Director: date

Portfolio Holder: date