

## Decision Report - Executive Decision

Forward Plan Reference: FP/23/--/--

Decision Date – 08/05/2024

Key Decision – no



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### Fixing of hackney carriage fares

Executive Member(s): Lead Member for Communities, Housing and Culture

Local Member(s) and Division: N/A

Lead Officer: John Rendell, Licensing Manager/Specialist

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### Summary / Background

1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (here on abbreviated to the 'LG(MP)A76') gives the Council the power to fix the maximum fares that hackney carriage vehicles (more commonly referred to as taxis) may charge for distance and time within the district. When a council sets maximum charges, it publishes them as a 'table of fares'.
2. There are currently four different taxi fare 'zones' due to the Council inheriting one from each of the four predecessor councils. The Licensing service is seeking to replace these with one table of fares so that the maximum fares are aligned across the Council's administrative area.

### Recommendations

3. Having considered the objections against the proposal, the Executive resolves to adopt the recommended table of fares shown at **Appendix 1**, so that it may come into effect on the 20<sup>th</sup> of May 2024.

### Reasons for recommendations

4. Any table of fares is a maximum rate that can be charged, leaving room for customers to negotiate lower fares and competition in the marketplace. Therefore, the fares customers pay will vary to some degree. Be that as it may, a single table of fares for Somerset will ensure that what drivers can charge and earn, and that what the travelling public pay, is as consistent as possible.
5. The recommended table is a version of the table originally published on the 25<sup>th</sup> of January (**Appendix 2**), with modifications made by the Licensing Manager/Specialist in recognition of the key themes contained within objections that were received during the objection period. In summary, it seems more appropriate to gently uplift the maximum across the four zones into one standard

maximum, giving drivers the freedom to increase their charges if they wish, rather than force them down in places.

6. The recommended table would result in an uplift to the maximum taxi fares that can be charged across all of the existing four zones, almost without exception. This is fairer to the taxi trade than the other options, explained below.
7. Bringing the table of fares into effect on the 20<sup>th</sup> of May (rather than immediately) will allow the taxi trade time to have their taxi meters re-programmed. This is the latest date a new table may come into effect, given the time constraints of section 65 of the LG(MP)A76.

### **Other options considered**

8. Resolving not to adopt a new table of fares would mean the four tables of fares fixed by the predecessor councils would continue to have effect. Maintaining four tables of fares and reviewing them independently would naturally be less time and cost efficient for the service and for the taxi trade, since the Council would seek to recover the costs through licensing fees and charges that the trade pay. The Licensing Manager/Specialist does not believe that the differences in four former districts are not significant enough to warrant maximum fares as different as they currently are.
9. Resolving to adopt the table of fares originally published (**Appendix 2**), would result in notable decreases to the maximum that taxi drivers in the Somerset West and Taunton zone can currently charge, in particular on Saturdays and for vehicles capable of carrying above five passengers. This is mentioned in many objections and is noticeable in a comparison of taxi costs, explained in further detail below. If concerns raised in the objections are realised, this could result in a reduction of larger capacity vehicles licensed as taxis, particularly in the Somerset West and Taunton area, where drivers would earn less for large groups than they currently do.
10. The Executive may resolve to adopt a variation of Appendix 1 or Appendix 2, with modifications of their choosing. Providing this resolution was made prior to the 20<sup>th</sup> of May 2024, there would not need to be further consultation.
11. Any resolution to adopt a new table of fares (with or without modifications) must be made at the meeting on the 8<sup>th</sup> of May to meet the requirements of 65 of the LG(MP)A76.

### **Links to Council Plan and Medium-Term Financial Plan**

12. 'A greener more sustainable Somerset' is a priority in the Council plan. Having "...an effective public transport system that meets the needs of more of our residents..." is identified as being an integral part of the Council's drive to net zero.

13. The Council has a certain balance to strike when fixing the fares that taxis charge. If those fares are set too high, then it is no longer affordable for many of the people who rely on them in some way or another. If those fares are set too low, drivers and operators will struggle which, in turn, would eventually negatively impact on the availability of taxis in the local area. The purpose of the recommendations in this report is to harmonise the maximum fares for the benefit of the wider taxi trade and travelling public.
14. The decision recommended in this report would have no bearing on the medium-term financial plan.

### **Financial and Risk Implications**

15. The Council is able to charge fees for determining applications for taxi and private hire licences, and these fees may cover certain reasonable costs, such as those incurred as a result of reviewing and fixing/varying a table of taxi fares, including the cost to publish a public notice. The Licensing service has calculated fees with the aim of achieving full cost recovery.
16. There are no other financial implications.
17. This report does not relate to any risks identified in the Corporate Risk Register.

### **Legal Implications**

18. There are no legal implications, but it should be noted that the fixing of taxi fares is an Executive function (and not a Council/Licensing & Regulatory Committee one) because it is not identified alongside other hackney carriage and private hire licensing functions in Schedule 1 of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000.

### **HR Implications**

19. None.

### **Other Implications:**

### **Equalities Implications**

20. An equality impact assessment has been carried out; attached as **Appendix 3**.
21. In summary, the impact on the majority of protected groups is neutral. Since the harmonisation of maximum fares is likely to result in an increase in the costs of using taxis in certain areas of Somerset (where the current maximum is less than that proposed), the impact on disability and age groups can be seen to be negative. Be that as it may, ensuring that taxi fares are regularly reviewed and

are fixed at a level which reflects ongoing changes to the cost of living and cost of running such a business (fuel, insurance etc.) is important to the health of the taxi trade. A reduction in their availability would have a negative impact on those protected groups highlighted.

### **Community Safety Implications**

22. On this occasion, the proposal is to create a new table of taxi fares so that the maximum is consistent across the Council's administrative boundary, rather than a straightforward increase to the maximum which, often occurs as a result of events like a significant rise in fuel costs. Therefore, there are no community safety implications to consider. But it should be noted that taxis play a vital role in the night-time economy by helping people to get home safely, many of whom are vulnerable or more vulnerable than they might be otherwise as a result of consuming alcohol. The Council must therefore be mindful of the way in which it regulates taxis, since a reduction in their availability in the local area would be particularly harmful to the safety of the public during the hours that the nighttime economy is active.

### **Climate Change and Sustainability Implications**

23. Taxis are an important form of public transport, especially in more rural areas where there are limited or non-existent bus and rail options, therefore it is important to the health of the taxi trade that maximum fares are fixed at the appropriate level.

### **Health and Safety Implications**

24. None.

### **Health and Wellbeing Implications**

25. None.

### **Social Value**

28. As this report does not relate to the procurement of services, there are no social value implications.

### **Scrutiny comments / recommendations:**

29. **TBC**

## Background

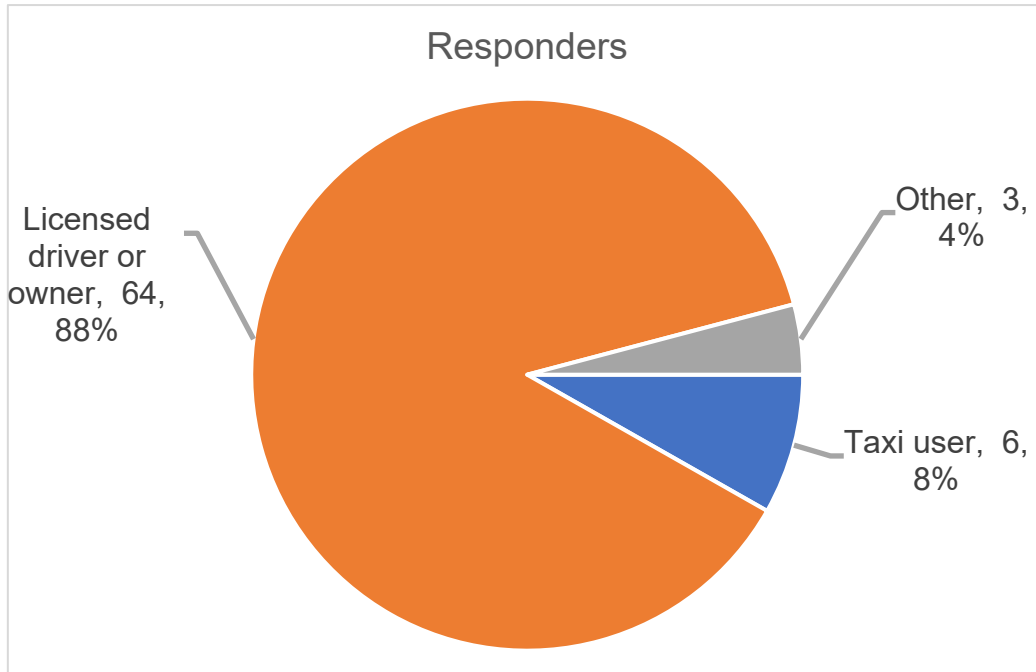
30. The cost of using a taxi largely depends on when a journey is undertaken and the distance covered. The total cost of using a taxi is referred to as a 'fare' and is calculated on an electronic meter installed in the vehicle, where it can be easily seen by passengers.
31. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives the Council the power to fix the fares that taxi drivers may charge for time, distance and "*...all other charges in connection with the hire of the vehicle or arrangements for the hire of a vehicle*". A taxi driver can charge anything up to, but not more than, the fares fixed by a council. This allows for competition in the market. There is no power to fix the fares charged by private hire operators/drivers.
32. To create a table of fares, or vary an existing one, a council must publish the proposed table in a local newspaper, display it at the council offices, and allow at least 14 days for any person to object. If no objections are received, the new table will come into effect on a date which must be specified beforehand. If there are objections, a council must, within two months of the initial implementation date, consider them and decide whether to adopt the proposed table or a variation of it.
33. Tables of fares can vary dramatically from council to council, with multiple rates or percentage multipliers for different times of the day, days of the week and on public holidays. This is true of the four existing tables of fares adopted by the predecessor district councils in Somerset. These can be viewed at **Appendix 4**. No one table of the current four comes out as being the most 'expensive' when different charges for various journeys are calculated. For example, the most expensive charge for four people to travel four miles at 9am on a Monday is in South Somerset, whereas the most expensive charge for six people to travel seven miles at 1am on a Sunday is in Mendip.
34. Three of the four current tables of fares were last varied in 2022, the most recent being Somerset West and Taunton Council's, varied on the 22<sup>nd</sup> of September 2022. The table fixed by Sedgemoor District Council is the longest to have had effect, having last been varied in 2019.
35. The cost of using taxis in different council areas is often compared by taking the price of a basic, two-mile journey. Trade publication Private Hire and Taxi Monthly (PHTM) publish a '[national hackney fare league table](#)' on this basis, with the authorities with the highest maximum featuring at the top. There are 344 separate authorities listed in the PHTM league table. Authorities that charge the same amount for the two-mile journey are not ranked jointly and are instead ranked in alphabetical order. The PHTM league table is only indicative of price differences and does not give a wholly accurate picture.
36. Using the basic, two-mile journey as an example, the tables of fares compare as follows:

Table	Price of a basic 2-mile journey	Fares introduced	PHTM table rank as of 27/03/2024
South Somerset	£7.60	July 2022	#92
Mendip	£7.10	April 2022	#159
Sedgemoor	£6.80	November 2019	#204
Somerset West	£6.80	September 2023	#205

37. Under the tables in Appendix 1 or Appendix 2, the price of a basic, 2-mile journey is £7.60. Adopting either table would place Somerset Council between 185 and 215 in the rankings.
38. [The RAC charts fuel prices](#) over the last 10 years. According to their statistics, on the 1<sup>st</sup> of July 2022, average UK unleaded and diesel prices were at a 10 year high, with the pump price for unleaded at 191.43p and diesel, 199.07p.
39. As of the 1<sup>st</sup> of March 2024, that pump price was 144.87p for unleaded, and 153.49p for diesel. According to [charts published by the RAC Foundation](#), which use data from the Office for National Statistics (ONS), the cost of living went up by 16.09% between July 2022 and February 2024. Motoring tax and insurance costs went up by 124.63% and general motoring costs, by 7.69%, over the same period.
40. To illustrate the difference between the existing tables of fares, the cost of travelling two- and five-mile distances at different times of week is shown at **Appendix 5**. These fares demonstrate what the cost would be if the maximum fare for the given distance were charged. It should be noted that in practice, fares for those distances can still differ if a taxi may have had to wait e.g. were it sat in heavy traffic.
41. A working group of Licensing Officers came up with the table of fares published (Appendix 2), largely blending the most commonly occurring features of all four of the existing tables resulting in increases and decreases to what can currently be charged with the existing tables.
42. A survey of taxi vehicle proprietors yielded a small number of responses, of which views were mixed. There were 23 responses to the survey in total, of which 13 people supported the proposed table, three were not sure and seven did not support it. Some concerns were raised about increasing the maximum that can be charged and how this might discourage the public from choosing to travel in a taxi. As stated before, this is a legal maximum and drivers can choose to continue charging the rates they currently do. A number of Somerset West and Taunton based proprietors also expressed concerns, given under the published table they would no longer receive a 50% multiplier on Saturdays during the day, and that the 'nighttime rate' would commence at 23:00 hours, rather than 22:00 hours as they have now.
43. To meet statutory requirements, a public notice containing the table of fares (Appendix 2) was published in the Somerset County Gazette on the 25<sup>th</sup> of

January. This marked the beginning of an eight week public objection period (although 14 days is the statutory minimum). Notices were also displayed at council office buildings in Bridgwater, Shepton Mallet, Yeovil and Taunton.

44. 75 objections were received. For full details see **Appendix 6**.



45. There are a number of themes running through objections made against the published table (Appendix 2). The recommended table includes modifications made as a result of some of these key themes.

***Leave the four tables as they are.***

46. As has already been explained, the maximum that taxi drivers can charge in Somerset is not consistent and this does not seem fair to the travelling public or licensed trade.
47. Keeping and maintaining four separate tables of fares for different parts of Somerset would be less efficient for the Council, and more costly to the licensed trade as a result.

***The proposal would be too much of an increase.***

48. As Appendix 5 shows, the maximum that could be charged under the published table is, in certain circumstances, less than it is currently. Given the increase to the cost of living and motoring costs since July 2022, described at paragraph 36, the uplift recommended as per the table in Appendix 1 is considered to be reasonable. Most importantly, it is a maximum that can be charged and the trade are free to charge their customers lower rates.

***The cost of the first mile will put customers off or be unaffordable.***

49. This was a theme which was also naturally present in the objections from taxi users. It is important that the maximum rate of fares is set to a level that ensures that working as a taxi driver is a viable occupation. The fares must enable drivers to earn a living and not just cover costs.
50. The recommended table has £4.60 for the first mile and 30p for each completed one tenth of a mile, or part thereof. This is the same as the table previously adopted by South Somerset Council in August 2022, and which is still in effect in the South zone at this moment in time.
51. Taxis may seem an expensive way to travel for many people, but it should be remembered that they are a form of public transport provided to the hirer on their own terms, capable of picking up them up and dropping them off at a place of their choice, unlike buses and rail travel.

***Restricting drivers to charging £2 for every passenger above the first four will not cover the costs of running larger vehicles e.g. an 8 seater multi purpose vehicle (MPV), and will result in a reduction of their use and availability.***

52. This is mentioned by 33 separate objectors.
53. The £2 charge per passenger (after the first four) appears generous when the cost of a short fare is calculated, but is less so the longer the distance driven. Drivers in the Somerset West and Taunton area in particular objected to this aspect of the published table as their fares are currently multiplied by up 100% ('double time') for journeys involving four or more passengers.
54. Taking into account those objections, the recommended table features 'non-standard tariffs' i.e. multipliers, for journeys involving above 4 passengers.

***Drivers should receive +50%/'time and a half' on Saturdays as well as Sundays, as is currently allowed with the Somerset West and Taunton table.***

55. This is mentioned by around 43 separate objectors.
56. Examples numbered 5, 6, 15 and 16 in Appendix 5 demonstrate how Somerset West and Taunton drivers would be notably impacted were the new table of fares to omit a multiplier/non standard tariff for daytime on Saturdays. In the case of example 16, the difference for a 5 mile journey would be £9.40 less than they can currently earn.
57. Unlike the published table (Appendix 2), the recommended table has a +50% multiplier (time and a half) for Saturdays *as well as* Sundays.

***The 'night time' multiplier should start at 22:00 rather than the 23:00 proposed, as this is currently allowed with the Somerset West and Taunton table.***



58. It doesn't seem unreasonable for the 'night time' multiplier to commence at 22:00 as requested by 8 separate objectors, to ensure a general uplift rather than a decrease.

### Background Papers

59. None.

### Appendices

1. Table of fares recommended for adoption
2. Published table of fares
3. Equality impact assessment
4. Existing tables of fares
5. Comparison of taxi costs under tables of fares
6. Objections

### Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	
Communications	Peter Elliot	
Finance & Procurement	Nicola Hix	
Workforce	Dawn Bettridge	27/03/2024
Asset Management	Oliver Woodhams	26/03/2024
Executive Director / Senior Manager	Chris Hall	
Strategy & Performance	Alyn Jones	26/03/2024
Executive Lead Member	Cllr Smith-Roberts	
<b>Consulted:</b>		
Local Division Members		
Opposition Spokesperson	Cllr Andy Dingwall Opposition Spokesperson for Communities, Housing and Culture	26/03/2024
Scrutiny Chair	Cllr Gwil Wren for Scrutiny Communities Committee	