

Somerset West and Taunton Council

Executive – 21 September 2022

Proposal to increase the maximum hackney carriage fares

This matter is the responsibility of Executive Councillor Andrew Sully

Report Author: John Rendell, Licensing Manager

1 Purpose of the Report

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives the Council the power to fix the fares that hackney carriage vehicles (more commonly referred to as taxis) may charge for distance and time within the district.
- 1.2 The Council has set the maximum fares taxis can charge. Responding to requests from some of the licensed taxi trade, the Licensing service has published a proposed increase to the maximum fares. Objections against the increase have been received from members of the public, including members of the taxi trade and therefore, the Executive must now consider whether to adopt the table of fares proposed, with or without modifications.

2 Recommendations

- 2.1 That the Executive is asked to resolve which of the following options it wishes to adopt:
 - a) To resolve to vary the current table of maximum fares as per the published proposal, and such changes to come into effect on the 22nd of September 2022.
 - b) To vary the current table of maximum taxi fares as is deemed appropriate, having considered objections made against the published proposal, to come into effect on the 22nd of September 2022.
 - c) Not to vary the current table of maximum fares.

3 Risk Assessment

- 3.1 The contents of this report do not relate to any of the risks identified in the Corporate Risk Register.

4 Background and Full details of the Report

- 4.1 The cost of using a 'taxi' generally depends on when and the length of the journey. 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.
- 4.2 A taxi driver can charge anything up to, but not more than, the maximum fares set by a council. Taxi drivers licensed by Somerset West and Taunton (SWT) must, as a condition of their licence, use their taxi meter for every journey. This helps demonstrate that the driver is not charging more than the maximum fares, which is especially important when a customer has asked for and agreed the cost of a fare upfront.
- 4.3 The current table of maximum fares, shown at **Appendix 1** was adopted in February 2022, replacing maximum fares previously adopted by Taunton Deane Borough Council and West Somerset Council in 2010 and 2011 respectively. The maximum fares were varied in February following a request from a local taxi proprietor. The Executive resolved to vary the maximum fares to increase driver's earnings, albeit slightly less than had been requested by the proprietor.
- 4.4 As of the 5th of August 2022, SWT was ranked 106th out of 355 local authorities in the ['league table' of UK hackney carriage fares](#), published by trade magazine Private Hire and Taxi Monthly. The league table ranking is based on the cost of a two-mile journey and is updated monthly. SWT is one of 22 Councils for which the cost of a two mile journey is £6.80. Here is how the Somerset District Councils currently compare according to the magazine league table, ranked from most expensive to cheapest:

	Authority	Price of a 2-mile journey	Last increase	League table position
1.	South Somerset	£7.60	July 2022	34
2.	Mendip	£7.10	Apr 2022	65
3.	Sedgemoor	£6.80	Nov 2019	105
4.	SWT	£6.80	Feb 2022	106

- 4.5 Requests that SWT consider varying the maximum fares, on account of recent rises in fuel costs, were received from two local taxi business proprietors on the 15th and 16th of June. One of the proprietors suggested specifically that:
- a) The initial distance, for which there is a £2.40 charge, be reduced from 425 yards to 390 yards.
 - b) The subsequent distance (or part thereof), for which there is a charge of 20p, be reduced from 145 yards to 135 yards.
- 4.6 [The RAC charts fuel prices](#) over the last 10 years. The price has fluctuated but as of the 7th of July 2022, fuel had been at a record high, with unleaded 191.43 pence per litre, including VAT, and diesel 199.07 pence. As of the 5th of August, unleaded is 178.93 pence and diesel 189.30.
- 4.7 The price of petrol is 19.84% higher since the beginning of February this year, with diesel up by 23.17%.

- 4.8 Judging by [charts published by the RAC Foundation](#) which use data from the Office for National Statistics (ONS), the cost of living has increased by 6.99% between February and May this year. General motoring costs have risen by 11.17% in that same period.
- 4.9 On the 23rd of June, the Licensing Manager asked all hackney carriage and private hire licence holders via email whether the Council should formally propose the suggested variation to the existing maximum fares described at paragraph 4.6, in the interests of the matter being determined formally at the earliest opportunity. Response were received from 15 licence holders. Six of those who responded supported an increase, however some of the seven not in support, some raised concerns about it being too soon since the last increase. Of the six in support of an increase, the majority were happy with the specific increases suggested.
- 4.10 Despite some licence holders expressing concerns about a variation which would see taxi journey costs increase, the Licensing Manager decided to formally propose a variation, in acknowledgement of two factors:
- a) Proposing a variation to maximum fares involves a public consultation and is democratically decided if there are objections.
 - b) Taxi drivers and proprietors are not obliged to charge the maximum fares set by the Council and could decide to continue charging at the current rate (or less) if they so wish.
- 4.11 Attached at **Appendix 2** is a table with examples of journeys that might be undertaken and what they would cost under the current maximum fares and if the proposed increase were adopted. Please note that these fares do not include any waiting time.
- 4.12 If the proposed maximum fare increase were adopted, SWT would rise from 83 to between 35 and 43 of the national league table, based on current standings.
- 4.13 To fulfil the Council's obligations under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, a public consultation was carried out between the 21st of July and 3rd of August, for the minimum 14 days required. Notice of the consultation was dutifully published in the Somerset County Gazette and the West Somerset Free press, as well as displayed at Deane House and West Somerset House. Beyond that, details of the consultation were also published on the Council's website, along with the facility to submit objections electronically.
- 4.14 Ten objections were received during the consultation; see **Appendix 3**.
- 4.15 Some licensed drivers have raised concerns about increasing charges at a time when the general public is having to cope with a rise in the cost of living. It must be remembered that the fares that the Council has fixed are the maximum rate that can be charged. Drivers have complete autonomy over whether they charge at the maximum rate or less. If the Executive resolved to vary the maximum fares to increase drivers' earning ability, those who wish to remain competitive and charge at February's maximum fare rate (or lower) can continue to do so. They would also not need to have their taxi meters changed to calculate fares on the new maximum rate; they could be left as they are.

- 4.16 Should taxi driving become unviable, proprietors are likely to look to enter the private hire vehicle market to meet public demand. Such vehicles are not required to use a meter and the fares charged are not subject to the maximum rate set by the Council (for taxis). By setting the maximum taxi fares at an appropriate rate the Council would be taking steps to support the taxi trade, whilst ensuring regulation on what customers pay remains.
- 4.17 Whilst the Council (and predecessor Councils) may not have varied the hackney carriage fares much in recent years, the legislation does not restrict a local authority on how often it can vary them. Nor does a variation have to result in taxi journey costs going up. The maximum fares can be kept under close review although it should be recognised that the next variation exercise may be carried out by the new Somerset Council after the 1st of April 2023.

5 Links to Corporate Strategy

- 5.1 One of the objectives in the Council's Corporate Strategy is to 'Support the delivery of strong sustainable transport infrastructure links including greater provision of public transport across the district, as well as solutions which remove barriers to people using public transport to access work, training and leisure opportunities.'
- 5.2 The Council has a certain balance to strike if it fixes the fares that hackney carriages 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.

6 Finance / Resource Implications

- 6.1 There are no ongoing finance or resource implications.
- 6.2 The cost to publish public notices in the two local newspapers was £979.20.
- 6.3 The Council is able to charge fees for the granting of licences to taxi and private hire vehicles and drivers, and private hire operators, to cover certain costs, including reasonable administrative costs. The cost of public notices will be recovered as part of the Council's ongoing review and setting of fees and charges specific to the hackney carriage and private hire licensing regime.

7 Legal Implications

- 7.1 In accordance with the Local Government (Miscellaneous Provisions) Act 1976, a council must consider any objections made against a proposed fixing or variation of taxi fares and, within two months from the end of the consultation period, being the 3rd of August 2022, determine and bring into effect its new table of fares, with or without modifications.

8 Climate and Sustainability Implications

- 8.1 There are no climate and sustainability implications.

9 Safeguarding and/or Community Safety Implications

- 9.1 Taxis play a vital role in the night-time economy by helping people to get home safely. A reduction in the availability of taxis in the local area would be particularly harmful to the safety of the public during the hours that the night time economy is active.

10 Equality and Diversity Implications

- 10.1 There are a number of protected characteristics identified in the Equality Act 2010, which are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation and members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision-making process. The three aims the authority must have due regard for are:

- The eliminate of discrimination, harassment, victimisation.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share them.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share them.

- 10.2 An equality impact assessment has been carried out; attached as **Appendix 4**.

- 10.3 The assessment identified that the proposal to increase taxi fares could have a negative impact on protected characteristic groups identified the Equality Act and a mixture of negative and neutral impacts on protected characteristics which have been adopted locally. Failure to adopt the proposed table of fares (or modify it) may ultimately lead to a reduction in the availability of taxis which, in turn, would have a negative impact on protected groups.

11 Social Value Implications

- 11.1 As this report does not relate to the procurement of any services or products, no social value implications were identified.

12 Partnership Implications

- 12.1 No partnership implications were identified.

13 Health and Wellbeing Implications

- 13.1 Through effective regulation, confidence in licensed premises and activities can be maintained, helping communities to thrive.

14 Asset Management Implications

- 14.1 No asset management implications were identified.

15 Data Protection Implications

- 15.1 No data protection implications were identified.

16 Consultation Implications

16.1 A public consultation was carried out and advertised in accordance with legislative requirements. Furthermore, advanced notice was given to all relevant licence holders.

17 Scrutiny Comments / Recommendation(s)

17.1 As this is a report for the Executive, there are no scrutiny comments or recommendations.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency: **Once only** **Ad-hoc** **Quarterly**
 Twice-yearly **Annually**

List of Appendices

Appendix 1	Current table of maximum hackney carriage fares with proposed increases
Appendix 2	Comparison of taxi journey costs when maximum fares are charged
Appendix 3	Objections
Appendix 4	Equality impact assessment

Contact Officers

Name	John Rendell
Direct Dial	01823 219491
Email	j.rendell@somersetwestandtaunton.gov.uk