

Somerset Council  
Licensing and Regulatory Committee – 14 September  
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## **Fixing of fares charged by taxi drivers**

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Division / Local Member: Licensing and Regulatory Committee

### **1. Summary**

- 1.1 Somerset Council is the 'licensing authority' responsible for issuing licences to hackney carriages (more commonly referred to as 'taxis') and private hire vehicles, drivers and private hire operators, who work from within the Council's administrative area.
- 1.2 The Council has the power to fix the fares and other charges connected with hiring a taxi. These are set out within a 'table'. There are currently four separate tables of fares currently being charged in Somerset, each one set by the Councils predecessor, district councils.
- 1.3 The Licensing Service has created a new table of fares with the aim of replacing the four legacy tables, thus harmonising the maximum rate that passengers can be charged when travelling in Somerset.

### **2. Issues for consideration/recommendations**

- 2.1 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 identifies local authority functions which are not the responsibility of the Executive i.e. are that of the Council. The fixing of hackney carriage fares is not identified alongside other hackney carriage and private hire licensing functions in Schedule 1 of the Regulations, and is therefore an Executive function.

2.2 The recommendation is that this report be noted.

### **3. Background**

3.1 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.

3.2 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". There is no power to fix the fares charged by private hire operators/drivers.

3.3 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.

3.4 To create new 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, consider them and decide whether to adopt the proposed table or a variation of it.

3.5 A council that has fixed fares, may at any time vary them, going through the same process described above.

3.6 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 firms will struggle which, in turn, would eventually negatively impact on the availability of taxis in the local area.

3.7 Tables of fares can however 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.

3.8 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 most expensive authorities 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.

3.9 Using the basic, two-mile journey as an example, the four existing tables of fares compare as follows:

<b>Predecessor authority</b>	<b>Price of a basic 2-mile journey</b>	<b>Fares introduced</b>	<b>PHTM table rank</b>
South Somerset	£7.60	July 2022	#81
Mendip	£7.10	April 2022	#142
Sedgemoor	£6.80	November 2019	#191
SWT	£6.80	September 2022	#192

3.10 A working group of Licensing Officers came up with the proposed table of fares below. As there are so many different rates, measurements, multipliers and extras across the four existing tables, coming up with one was not an easy task. Furthermore, 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 4 miles at 9am on a Monday is in South Somerset, whereas the most expensive charge for six people to travel 7 miles at 1am on a Sunday is in Mendip.

<b>Standard Fare:</b>	
First mile	£4.60
For each completed 1/10 of a mile or part thereof	£0.30
<b>Waiting time:</b>	
Each completed 2 minutes	£1.00
<b>Multipliers:</b>	
Between 23:00 and 07:00	50%
Sundays	50%
Bank holidays	100%
Christmas Eve and New Year's Eve, from 18:00 to 00:00	100%

<b>Extras:</b>	
In excess of 4 passengers, per extra passenger	£2.00
Soiling charge	£100
Toll/clean air zone charges	As required

- 3.11 The working group decided that, as a starting point, the new table for Somerset would be based on the existing table with the highest cost per mile, this being the South Somerset. Hence, the ‘standard fare’ is £4.60 for the first mile and 30p for every completed tenth of a mile, or part thereof. When it came to other rates and multipliers, the working group went with a ‘majority rules’ method where certain features were selected in favour of others if they were common across three of the four existing tables/areas. The ‘time and a half’ rate on Saturdays for the Somerset West and Taunton area and booking fee for the Sedgemoor area were ‘odd ones out’ compared to their neighbours.
- 3.12 Attached at **Appendix 1** is a table demonstrating how taxi costs vary under the existing tables of fares and the one that is proposed, for journeys at different times of day and days of the week.
- 3.13 Overall, the cost of journeys under the proposed table is largely similar to costs under the South Somerset table, with some higher charges for certain journeys. Members of the public travelling across the County of Somerset are therefore likely to, in some way, notice an increase in taxi costs, although this will be greater for some than others. This is on the assumption that a majority of drivers decide to set their taxi meters to the proposed table. They, of course, do not have to. The table is the legal maximum they can charge, and are free to charge less if they wish.
- 3.14 Once our proposed table was drafted, it was sent to all taxi licence proprietors along with a survey. There were 23 responses to the survey in total, of which 13 people supported the proposed table, 3 were not sure and 7 did not support it.
- 3.15 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.
- 3.16 The working group has considered the responses to the survey but believes the current proposal is the correct one to carry forward i.e. publish for consultation.

- 3.17 It is planned that, in the future, once we have a county wide table of fares in place, it will be reviewed on a much more frequent basis than it has in the past across the districts. Most likely, annually. This would avoid the need for the trade to come forward to request an increase and hopefully make increases more palatable to the public, rather than to impose big increases many years apart.

#### **4. Consultations undertaken**

- 4.1 Officers conducted a survey with hackney carriage proprietors (those who hold hackney carriage vehicle licences) to seek their views on the proposed table of fares, before finalising it and in lieu of undertaking the statutory public consultation.
- 4.2 As explained at paragraph 3.4, the Council (in the form of the Executive) must, if there are objections during the consultation, decide whether or not to change from the existing table(s) within two months of the consultation finishing. Officers aim to publish the proposed table of fares around the beginning of September, with a view to a decision being made by the Executive at its meeting on the 8<sup>th</sup> of November (TBC), should there be objections. If there are no objections, the aim would be for the proposed table to come into effect after the end of the consultation.

#### **5. Implications**

- 5.1 The introduction of one table of fares for the entire Somerset area would harmonise the maximum that taxi drivers licensed by Somerset Council can charge passengers.
- 5.2 Passengers may, just as they do now, experience differences in the rate of fares charged by different taxi firms across the area, since drivers can lawfully decide to charge less than the maximum shown in the table set by the Council. What this does mean is that there will be competition in the market.

#### **Appendices**

- Appendix 1 – Comparison of maximum taxi charges