

Fixing of hackney carriage fares

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

Local Member(s) and Division: N/A

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Summary

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 20th 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 25th of January (**Appendix 2**), with modifications made by the Licensing 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, given running costs for the trade have increased over the years since the predecessor councils set the existing tables. This is explained in further detail in this report.

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 20th 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 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 20th 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 8th 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 decision recommended in this report would have no bearing on the medium-term financial plan.

Financial and Risk Implications

14. 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.
15. There are no other financial implications.
16. This report does not relate to any risks identified in the Corporate Risk Register.
17. 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.

Likelihood	3	Impact	3	Risk Score	9
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18. Conversely, if the maximum fares are set too low, running a taxi business would become unviable and, in turn, the availability of taxis in the local area would be reduced. The recommendation in this report is proposed to mitigate this risk.

Likelihood	3	Impact	3	Risk Score	9
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Legal Implications

19. 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

20. None.

Other Implications:

Equalities Implications

21. An equality impact assessment has been carried out; attached as **Appendix 3**.

22. 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

23. 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

24. 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

25. None.

Health and Wellbeing Implications

26. None.

Social Value

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

Scrutiny comments / recommendations:

28. At its meeting on the 4th of April 2024, the Scrutiny Committee for Communities resolved to recommend that the Executive Committee looks at all the factors that

determine taxi driver incomes, the total impact on income of the proposed changes and at comparisons across rural authorities with regard to day/time pricing and days charged at time and a half when coming to a decision.

Background

29. 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.
30. 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.
31. 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.
32. 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.
33. 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 22nd of September 2022. The table fixed by Sedgemoor District Council is the longest to have had effect, having last been varied in 2019.
34. 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](#)' ([click to view](#)) 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.

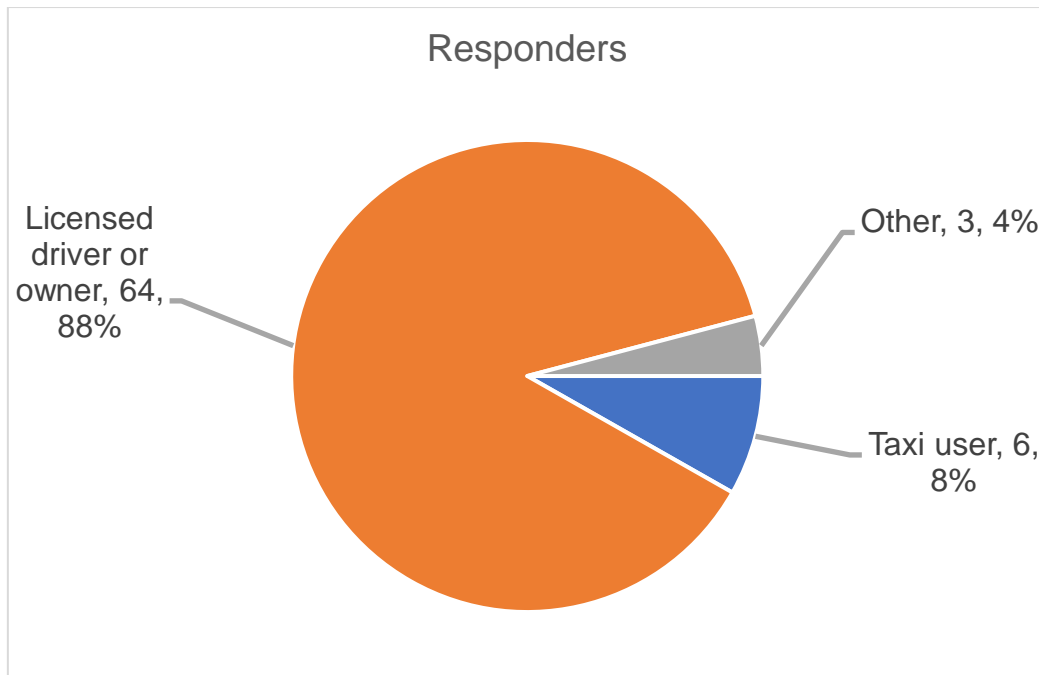
35. Using the basic, two-mile journey as an example, here are how the tables of fares compare across authorities/areas in the Southwest:

Table	Price of a basic 2-mile journey	Fares introduced	PHTM table rank as of 11/04/2024
North Cornwall	£9.60	2022	#7
Carrick (Cornwall)	£9.20	2024	#10
Penwith (Cornwall)	£8.52	2022	#19
Restormel (Cornwall)	£8.20	2023	#45
Plymouth	£8.10	2023	#51
North Somerset	£7.80	2023	#73
East Devon	£7.68	2022	#85
Wiltshire	£7.68	2022	#86
Bristol	£7.60	2023	#89
Kerrier (Cornwall)	£7.60	2019	#92
South Somerset	£7.60	2022	#95
Weymouth & Portland	£7.60	2023	#99
Exeter	£7.50	2023	#106
North Devon	£7.30	2022	#133
Dorset	£7.20	2022	#142
Mendip	£7.10	2022	#162
Sedgemoor	£6.80	2019	#209
Mid Devon	£6.80	2021	#203
Somerset West	£6.80	2022	#210

36. 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 88 and 100 in the rankings.
37. [The RAC charts fuel prices \(click to view\)](#) over the last 10 years. According to their statistics, on the 1st 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.
38. As of the 1st of March 2024, that pump price was 144.87p for unleaded, and 153.49p for diesel. According to [charts published by the RAC Foundation \(click to view\)](#), 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.

39. According to [UtilitySavingExpert.com \(click to view\)](https://www.utilitysavingexpert.com), as of October 2023, a “...taxi driver with a clean record might expect to pay between £180–£200 for a 30-day policy” and annually “...around £1,600–£1,800.” Naturally, factors such as their location, vehicle type, and driving experience impact on the cost. One such licensed driver working in the Taunton area has evidenced that their total annual premium is currently £4,477.20.
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 25th 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 39, 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 them up from and dropping them off at places of their choice, and at all times of the day and night, 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 5, the difference for a single 2-mile journey would be £3.20 less than they can currently earn. Obviously, the further the distance travelled and/or number of fares completed, the bigger the difference. For example; were a Somerset West and Taunton driver to carry out 10 individual 2-mile journeys on a Saturday, they would be £32 'worse off' under the published table (Appendix 2) than at the present time. For drivers that regularly work Saturdays, such a change would have notable impact on their income.
57. Unlike the published table (Appendix 2), the recommended table has a +50% multiplier (time and a half) for Saturdays *as well as* Sundays to ensure a general uplift to the maximum rather than some drivers experience a decrease.
58. Of the four existing tables of fares (Appendix 5), the Somerset West and Taunton table is currently the only one to feature any kind of higher rate for Saturdays during the

day. All have higher rates for Sundays. Be that as it may, there are two other authorities/areas included within the table at paragraph 36 that have a higher rate on Saturdays, being Bristol and South Gloucestershire.

59. The majority of authorities/areas split the different rates into various ‘tariffs’, where the cost of distance and time is gradually increases, as is shown in this example from Bristol City Council:

BRISTOL CITY COUNCIL JULY 2023 HACKNEY CARRIAGE TABLE OF MAXIMUM FARES						
FARES FOR DISTANCE AND TIME	TARIFF 1 Day Rate Monday to Friday 06.00 to 21.00	TARIFF 2 Night Rate Monday to Thursday 21.00 to 06.00 & Friday 21.00 to 00.00	TARIFF 3 Weekend Day Rate Saturday and Sunday 06.00 to 21.00	TARIFF 4 Weekend Night Rate Saturday 00:01 to 06.00 Saturday & Sunday 21.00 to 06.00	TARIFF 5 Bank/Public Holiday Rate Excluding when tariff 6 applies from 00.01 to 06.00 the following day	TARIFF 6 Christmas and New Year Rate From 21.00 hours on 24/12 to 06.00 on 27/12 and from 21.00 on 31/12 to 06.00 on 2/1
INITIAL HIRING	£2.80 for the first 140.80 yds (128.75 mtrs) or part thereof	£3.40 for the first 130.37 yds (119.21 mtrs) or part thereof	£3.40 for the first 140.80 yds (128.75 mtrs) or part thereof	£3.40 for the first 125.71 yds (114.94 mtrs) or part thereof	£3.40 for the first 160 yds (146.3 mtrs) or part thereof	£4.40 for the first 146.66 yds (134.1 mtrs) or part thereof
PLUS approx. per mile (Not including waiting time)	£2.50	£2.70	£2.50	£2.80	£3.30	£3.60
BY TAXIMETER UNITS OF	20p for every subsequent 140.80 yds (128.75 mtrs) or part thereof	20p for every subsequent 130.37 yds (119.21 mtrs) or part thereof	20p for every subsequent 140.80 yds (128.75 mtrs) or part thereof	20p for every subsequent 125.71 yds (114.94 mtrs) or part thereof	30p for every subsequent 160 yds (146.3 mtrs) or part thereof	30p for every subsequent 146.66 yds (134.1 mtrs) or part thereof
WAITING TIME	20p per 36 seconds (£20.00 per hour)	20p per 31 seconds (£23.20 per hour)	20p per 31 seconds (£23.20 per hour)	20p per 28.7 seconds (£25.10 per hour)	30p per 43 seconds (£25.10 per hour)	30p per 43 seconds (£25.10 per hour)
Extras						
Extra charges (excluding spoilage or fouling charge) limited to a maximum of £6.00						
Every hiring commencing at Temple Meads Railway Station (unless pre-booked)					20 p	
Every adult after the first one, not including children under 14					50 p	
Every medium holdall, rucksack, suitcase					20 p	
Every large/heavy holdall/rucksack/suitcase/pram/push chair					30 p	
Every folding bicycle					£1.00	
Every non folding (rigid frame) bicycle					£2.00	
Every caged animal					£1.00	
Every un-caged animal (except for assistance dogs)					£2.00	
Items of bulk or weight					By negotiation	
Spoilage or fouling of vehicle					£100.00	
Assistance dogs, wheelchair and any assistance aid used by a disabled passenger carried free of charge						

60. Having one tariff which is then multiplied for different days and times, as is the case in Somerset West and Taunton is less common. Mid Devon is however another example.

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.

61. 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 some drivers experience a decrease.
62. All of the authorities/areas included in the table at paragraph 36 have a higher rate to some extent from a certain point in the evening, ranging from 6pm to midnight. There are two authorities/areas where costs are multiplied. In North Somerset, there is an 'evening rate' between 8pm and midnight where the cost of the initial distance is increased by 20% and a 'night-time rate' between midnight and 6am, where the cost of distance is increased by 25%. In Mid Devon, the cost of distance and time is multiplied by 50% for all journeys between 9pm and 7am the following morning.

Background Papers

63. 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	28/03/2024
Communications	Peter Elliot	02/04/2024
Finance & Procurement	Nicola Hix	22/04/2024
Workforce	Dawn Bettridge	27/03/2024
Asset Management	Oliver Woodhams	26/03/2024
Executive Director / Senior Manager	Chris Hall	26/03/2024
Strategy & Performance	Alyn Jones	26/03/2024
Executive Lead Member	Cllr Smith-Roberts	20/03/2024
Consulted:		
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	Sent 26/03/2024
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