

<b>Licensing Committee Meeting</b>	
<b>Meeting Date</b>	4 <sup>th</sup> October 2022
<b>Report Title</b>	Review of Taxi Tariff
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Charlotte Hudson, Head of Housing and Community Services
<b>Lead Officer</b>	Christina Hills, Licensing Team Leader
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Members consider whether to increase the taxi tariff</li> <li>2. That Members consider whether there should be an automatic annual increase to the taxi tariff and if so, what methodology is to be used to calculate the increase and on what date the increase should become effective, subject to the statutory consultation process</li> <li>3. That Members decide whether there should be a 'Sunday' rate for the taxi tariff and if so, what this rate should be</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 The purpose of this report is to provide Members with responses received following a consultation with the taxi trade regarding a potential amendment to the maximum scale of fares for licensed hackney carriages operating within the borough (taxi tariff) in order that they can decide whether the current scale of fares should be increased and, if so, by how much.
- 1.2 Members are also asked to consider whether in future the taxi tariff should be increased on an annual basis, subject to approval each year by this Committee and after the statutory consultation process. If Members are minded that an annual increase to the tariff is appropriate, they will need to consider the methodology to be used to calculate the increase and decide on what date each year the increase should take effect.
- 1.3 Members are further asked to consider whether there should be a 'Sunday' rate for the taxi tariff and if so, to consider whether this should be at 'double time' or some other rate.

## 2 Background

- 2.1 It is at the discretion of the Council as licensing authority to set a meter tariff for licensed hackney carriages if it chooses to do so.
- 2.2 Councils are not obliged to set a maximum fare for their area, they could decide instead to rely on market forces to establish the going rate and at the same time promote competition.
- 2.3 In the past Swale BC has chosen to set a tariff which represents the maximum fee that can be charged. The current tariff became effective on 11<sup>th</sup> August 2018 and is attached as **Appendix I**.
- 2.4 At a meeting of the General Licensing Committee of 15<sup>th</sup> February 2022 it was resolved:
- (1) That the process to amend the current maximum scale of fares for licensed hackney carriages operating within the borough (taxi tariff) be proceeded.*
- (2) That authority be given to consult with the taxi trade and that officers return to a future meeting of the General Licensing Committee so that Members can consider the results of the consultation and approve a tariff of their choice.*
- 2.5 The setting of fares applies only to hackney carriages and not to private hire drivers who can charge their own rates as statute allows.
- 2.6 Any driver has the option of charging less than any tariff that is set, as the tariff is the maximum that can be charged but is not obligatory.
- 2.7 Private Hire and Taxi magazine, a monthly magazine for the trade and licensing authorities, regularly publishes a 'league table' of tariffs set by licensing authorities (including Transport for London in relation to "Black Cabs") from the highest to lowest based on the cost of a 2-mile journey. To assist Members the latest figures published in August 2022 relating to all Kent authorities is shown below

Council	Position in Country Wide League Table as of August 2022	Fare @ 2 miles	Last increase
Maidstone	18	£8.00	2022
Tunbridge Wells	23	£8.00	2022
Canterbury	44	£7.40	2022
Ashford	52	£7.30	2022
Dartford	54	£7.30	2022
Dover	61	£7.10	2021
Sevenoaks	84	£7.06	2019

Tonbridge & Malling	94	£7.00	2022
Gravesham	114	£6.60	2020
<b>Swale</b>	<b>122</b>	<b>£6.80</b>	<b>2018</b>
Medway	152	£6.60	2020
Thanet	204	£6.21	2022
Folkestone & Hythe	215	£6.40	2019

### 3 Proposals

Following the completion of the consultation period, Members are asked to consider the below recommendations

- 3.1.1 That Members consider consultation responses from the taxi trade regarding an increase to the approved tables of fares (taxi tariff).
- 3.1.2 That Members consider whether to increase the taxi tariff.
- 3.1.3 That Members consider whether there should be an automatic annual increase to the taxi tariff and if so, what methodology is to be used to calculate the increase and on what date the increase should become effective, subject to the statutory consultation process.
- 3.1.4 That Members decide whether there should be a 'Sunday' rate for the taxi tariff and if so, what this rate should be.

### 4 Alternative Options

- 4.1 Members could decide that the current taxi tariff is fair and reasonable and to leave it as it is. This option is not recommended following the outcome of the consultation with the trade, which may introduce further feelings of discord amongst the trade as the majority responded that they support an increase.
- 4.2 Members could decide not to set a taxi tariff at all and let hackney carriage drivers set their own fares. This options is also not recommended as could result in too much competition amongst the trade and complaints to the licensing team regarding unfair charges.
- 4.3 Members could decide that an annual increase to the taxi tariff is appropriate to assist the taxi trade in keeping up with the cost of living, rather than as currently at irregular intervals. If Members decide that this is a reasonable option they may wish to align the tariff increase with other modes of transport such as National Rail and instruct that in future the tariff be increased in line with the train fare increase which normally becomes effective each 1<sup>st</sup> January although in 2023 the increase will not happen until March.
- 4.4 The train fare increase is normally calculated on the previous July's RPI although the government has already announced that in 2023 it will be lower due to the

soaring cost of living. It is not yet clear how much lower the rise will be, compared to the RPI figure.

- 4.5 Members may decide that a Sunday rate on the tariff is not appropriate or that it should be levied but not at double time.

## 5 Consultation Undertaken

- 5.1 A consultation ran from 13 May 2022 until 17 June 2022. All 293 Swale licensed taxi drivers and private hire operators were consulted by way of a newsletter which was sent by email or by post. A copy of the newsletter is attached as **APPENDIX II**. Face to face meetings were considered but felt unnecessary as this was a matter that would be for the benefit of the trade and therefore a high level of response was anticipated

- 5.2 Consultees were invited to respond by email, by hard copy or the preferred method of the vast majority via a SurveyMonkey link.

- 5.3 At the end of the consultation a total of 45 responses had been received representing only 15% of the taxi trade.

- 5.4. To put this in context, in 2018 which was the last time the tariff was increased 46% of the trade responded to a similar consultation however, this may have been because at that time there had been no increase to the tariff in six years.

- 5.5 In early 2021, following a consultation 11% of the trade responded to the simple question as to whether the tariff should be increased or not. Of those that did respond no change to the tariff was desired by the trade at a ratio of 2 to 1 to those that did. Members will recall that at a meeting of the General Licensing Committee of 21<sup>st</sup> January 2021 it was resolved:

*(1) That the process of amending the current maximum scale of fees for licensed hackney carriages operating within the Borough not be proceeded, but looked at again in 2022.*

- 5.6 The low level of responses could be that a large amount of drivers are paid through their private hire operator and therefore do not have to absorb any price hike in petrol prices themselves and it is something that the operators have to absorb. However, to ensure that we had reached as many individuals as we could, a further consultation was conducted with the taxi trade which ran between 24 June 2022 and 5 August 2022. Face-to-Face meetings were also held with the taxi trade on 21<sup>st</sup> July and 4<sup>th</sup> August where the taxi tariff was discussed

- 5.7 A further 20 responses were received meaning in total 29% of the trade responded to the consultation.

This meant that in total 65 drivers responded to the consultation. 60 were in favour of an increase to the tariff and 5 were against.

There were 2 preferred options out of the 8 that were suggested. These were:

Option 1 – 20 drivers voted in favour

Option 5 – 21 drivers voted in favour

19 drivers voted across the remaining options

A more detailed summary of the preferred options of the taxi trade and their comments is attached as **APPENDIX III**.

- 5.8 For the purposes of benchmarking the table below indicates where Swale would sit in the 'league table' based on each of the consultation options set out in section 3.1 of this report:

	Flag	Fare at 2 miles	Resultant place in national 'league table' (out of 364)	Resultant place in Kent 'league table' (out of 13)
Option 1	£3.20	£7.80	Joint 29th	3rd
Option 2	£3.20	£7.60	Joint 41st	3rd
Option 3	£3.20	£7.40	Joint 50th	Joint 4th
Option 4	£3.20	£7.20	Joint 70th	6th
Option 5	£3.40	£7.80	Joint 29th	3rd
Option 6	£3.40	£7.60	Joint 41st	3rd
Option 7	£3.40	£7.40	Joint 50th	Joint 4th
Option 8	£3.40	£7.20	Joint 70th	6th

- 5.9 Further benchmarking regarding the 'Sunday' rate across the Kent authorities is shown below:

Authority	Sunday or additional rates
Swale	None

Maidstone	+ 50%
Tunbridge Wells	£0.20 per mile
Canterbury	+50%
Ashford	+50%
Dartford	+50%
Dover	+£1
Sevenoaks	No Sunday rate but hiring between 11pm and 7am any day + £2 per fare
Tonbridge & Malling	No Sunday rate but hiring between 11.30pm and 6am +50%.
Gravesham	+£0.60
Medway	No Sunday rate but hiring between midnight & 6am +50%
Thanet	No Sunday rate but hiring between midnight and 6am +50%
Folkestone & Hythe	+£1

- 5.10 Members should note that these results are subjective to all other council's tariffs remaining the same which is unlikely to happen in practice even though some authorities only consider a tariff increase if there is a request from the taxi trade itself whereas Swale is more pro-active and currently reviews the tariff every 2 years.
- 5.11 Members will also wish to consider various other factors such as the spiralling cost of living and fuel prices leading to the threat of recession, effects of the pandemic, competition from other forms of public transport as well as whether workers in other forms of transport go on strike, and public safety in terms of the availability and affordability of the local taxi service to the travelling public.

## 6 Implications

Issue	Implications
Corporate Plan	<p>There are obvious links to community safety in ensuring an adequate supply of properly licensed taxis as a safe mode of transport for the public, particularly when other public transport is unavailable. If taxi fares are set too high, then members of the public are less likely to use them.</p> <p>This therefore has indirect links to:</p> <p>Priority 3: Tackling deprivation and creating equal opportunities for everyone</p>

	<p>3.4 Ensure that the council plays a proactive role in reducing crime and antisocial behaviour, including through the modernisation of CCTV provision.</p>
Financial, Resource and Property	<p>Should Members decide that the taxi tariff should be amended there would be the need for public consultation on the proposals which would be met from within existing licensing budgets.</p> <p>The cost of re-calibrating individual meters would be met by licensed drivers and operators.</p>
Legal, Statutory and Procurement	<p>The authority for the Council to fix fares for hackney carriages is given under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. When a Council makes or varies a table of fares (Which may be by time and/or distance) it must publish in one local newspaper a notice setting out the table of fares, or variations to the table, specifying the period (not less than 14 days) within which objections to the table or variations can be made.</p> <p>A copy of the proposed tariff must be available at the Council's offices for the public to inspect, free of charge, at all reasonable hours.</p> <p>If there are no objections the amended fares come into effect as specified in the Notice.</p> <p>If there are objections the Council must set a further date, within two months after the first date specified, on which the table is to come into force with or without modification, as decided by them.</p>
Crime and Disorder	<p>There are obvious links to community safety in ensuring an adequate supply of properly licensed taxis as a safe mode of transport for the public, particularly when other public transport is unavailable, for example during the night time economy period. An unreasonably low earning potential could reduce the number of licensed taxis and also therefore the ability for people to get home, or elsewhere, safely. Similarly, and unreasonably high fare but deter the public from using locally licenced taxis.</p> <p>Charging more than the maximum permitted fare is an offence. Ensuring a simple tariff structure, that is easy for the public and drivers to understand, can reduce the likelihood of taxi meters being set at a higher than permitted rate, or for additional charges inadvertently being made.</p>
Environment and Climate/Ecological Emergency	<p>There are no negative implications arising from the recommendations contained within this report in terms of meeting the Council's climate change obligations. Whilst the taxi tariff does not have a direct impact on climate change, the cost of a journey for the travelling public, and earning potential for existing and future taxi</p>

	drivers, may affect the number of taxis on the road and/or the number of journeys they make, which will affect climate change. The emissions of taxis is however a separate, albeit associated, matter dealt with by way of policy, and it is therefore suggested that climate change should not be a primary consideration in determining the setting of the local taxi tariff.
Health and Wellbeing	There could be an impact on the health and well being of the public if the hackney carriage fares are set too high, which could make this form of transport inaccessible to some.
Safeguarding of Children, Young People and Vulnerable Adults	The provision of adequate, affordable taxi journeys is necessary to ensure the safety of children, young people and vulnerable adults.
Risk Management and Health and Safety	An unreasonable increase in the level of fares could be a source of resentment amongst the travelling public. The taxi tariff does however represent the maximum fare that can be charged and so drivers are able to charge less to be competitive if they so wish. Equally an unreasonably low increase or no increase could be a source of resentment amongst the trade. The effects of the Coronavirus pandemic and the increase in fuel costs could enhance these feelings.
Equality and Diversity	An increase in taxi fares could negatively impact on low income individuals and families, however taxi drivers themselves may be disadvantaged if the tariff is not increased as they too could be on low incomes. Members need to weigh up the effect of all potential users of taxis against the needs of the trade who provide a service to local users.
Privacy and Data Protection	None identified

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Current Swale taxi tariff
- Appendix II: Newsletter sent to drivers
- Appendix III: Consultation response table reflecting comments from drivers

## 8 Background Papers

None.



