

REPORT TO LICENSING COMMITTEE

Date of Meeting: 16 July 2019 (PART 1 Matter)

Report of: ENVIRONMENTAL HEALTH AND LICENSING MANAGER

TITLE: PROPOSED HACKNEY CARRIAGE (TAXI) FARE TARIFF CHANGES

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 The purpose of this report is to inform Members that a request has been made via the Chair of Exeter St David's Hackney Carriage Association, for an increase to the Hackney Carriage Fare Tariff.
- 1.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 permits Licensing Authorities to set the fares tariff for Hackney carriages (taxis) licensed in the district. The tariff sets the maximum fares that taxis can charge the public when using their vehicles. Exeter City Council, in common with most other Councils, have used this power for many years and the last tariff increase was agreed by this Committee in June 2013. A copy of the proposed tariff table and a comparison with the existing tariff table is found at **Appendix A** to this report.
- 1.3 Included in **Appendix A** are details of the extra charges that apply to taxi proprietors having to valet and clean vehicles when soiled by customers for which the cost is passed to the customer concerned. It is proposed to increase this charge from £50 to £100. This fee is intended to compensate the operator for the cost of cleaning the vehicle's interior and for the loss of earnings while the taxi is off the road. In addition, the additional charge for carrying dogs (excluding assistance dogs which travel free of charge), is proposed to rise from 60p per dog to £1.00. The extra charges for luggage and additional persons have been removed and are proposed to be replaced with a separate tariff for over 4 passengers.
- 1.4 A comparison between the existing and the proposed fares calculated on a per mile basis appears at **Appendix A**.
- 1.5 All changes to the hackney carriage tariff table in use in Exeter must be approved by the Licensing Committee. The legislation requires that before any alteration to the tariff table can take effect a public notice explaining the changes must be placed in a local newspaper. The public then must be provided with a period of at least 14 days to make comment on the proposals. If no adverse comment/objection is received the approved changes must take effect. Alternatively if adverse comment/objection is received then the matter must be returned to allow the Committee to consider the representation(s). Providing members agree a new fare tariff table at today's meeting it is proposed a public notice will be published in a local newspaper explaining the changes and inviting observations.
- 1.6 Since the 2013 increase the subject of fare increases has been regularly discussed at the quarterly Taxi Forum meetings. Through 2016 and 2017 the taxi trade's opinion was generally divided in view of the economic situation that some did not wish to see a fare increase as the costs for fares are met by the public using taxis.

However, at the meetings held in 2018 the Hackney carriage Trade Representatives were generally in agreement that they wished to see an increase in the fares tariff and in January 2019 they conducted a survey of the Hackney carriage proprietors/ drivers. Of the 77 Hackney carriage trade members surveyed, some 9 drivers were against an increase to the Tariff 1 fare, while 68 were in favour of an increase. A copy of the survey appears at **Appendix B** to this report.

- 1.7 Specific details of the proposed changes to the fares tariff were forwarded to the Licensing Authority on 14th July by the Chair of St David's Hackney Carriage association.
- 1.8 Officers have researched and produced a comparison table of current fares set by this and other authorities in Devon (**Appendix C**) The comparison takes into account the position of highest to lowest fares set by all 362 licensing authorities in England and Wales based upon costs of the first two miles journey prepared by the national Private Hire and Taxi Monthly magazine. The present Exeter Tariff 1 cost for a two mile journey is £6.60.
- 1.9 Also Included within **Appendix C** is a comparison table with other Devon Authorities. The table confirms that Exeter currently has the second most expensive 2 mile fare level in Devon and is the 59th most expensive fare in the UK over that distance. If the proposed increases are implemented then Exeter would have the most expensive 2 mile fare level in Devon, and would move to approx. 12th position in the national list.
- 1.10 Although this Council has not reset its fares since 2013 that is not the longest period for an increase in Devon as Mid Devon District Council have not reviewed fares since 2010. Exeter is currently the second most expensive tariff fare in the Devon comparison. Other factors that are evident from the comparison include;
 - Plymouth and South Hams Councils have reset their taxi fares in 2017 yet both tariffs remain lower than the present Exeter fare charges;
 - East Devon DC are in the process of increasing their tariff fare and propose to equal Exeter's current fare level;
 - Although Exeter City Council has not been recalculated fares since 2013, this Council still sits within the top third of all council charging fares being 59th out of 362 Council tariffs.
- 1.11 Members may find it useful for an explanation of the tariff structure operated in this district and there are three Tariff levels:
 - Tariff 1: Applies to any hiring begun between 0700 and 1900 on any day other than Sunday, Public Holidays or Bank Holidays;
 - Tariff 2: Applies to any hiring begun on any day (other than Christmas Day, New Year's Day, Good Friday, and Easter Sunday. Public and Bank Holidays) between 1900 and 0700 the following day AND for any hiring on a Sunday from Midnight. This tariff also applies between 0700 and 1900 on Christmas Eve and New Year's Eve;
 - Tariff Three: Applies to any hiring begun on Christmas Eve and New Year's Eve between 1900 and Midnight. This Tariff also applies on Christmas Day (24 hours), Boxing Day, (24 hours) New Year's Day (24 hours), Good Friday (24 hours), Easter Monday (24 hours) Public and Bank Holidays (24 hours)

2. Recommendations:

2.1 Members will note from the contents of this report that the current fare tariff table in Exeter has not actually fallen significantly behind although an increase has been requested from a majority of the taxi trade that responded to the survey. If members are minded to agree the option to increase Tariff 1 it will mean that an increase of 50p for the first mile (some 11.5%), and an increase of 20p (9%) for subsequent miles.

2.2 When considering the proposal members are reminded that the tariff that is set should be regarded as the maximum fares that can be charged. Taxi proprietors are not tied to charging the maximum fare, but are not permitted to charge more than the tariff price shown on the meter. Market forces are known to come into play, and for instance because of the level of competition in Exeter the driver/ proprietor may decide to charge less than the maximum tariff.

2.3 As explained earlier in this report Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 requires that before any alteration to the tariff table can take effect a public notice explaining the changes must be placed in a local newspaper. The public then have 14 days to make comment on the proposals. If no adverse comment/objection is received the approved changes can take effect.

2.4 Alternatively if adverse comment/objection is received then the matter must be returned to allow this Committee to consider the representation(s).

2.5 It is recommended that the Committee give consideration to the draft tariff table to be consulted upon as attached and either:

- a) Consider the request by the Taxi Trade to increase the fares by authorising the consultation process as outlined above; or
- b) Reject the request submitted by Taxi trade to increase the fare.

3. Reasons for the recommendation:

3.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 sets out the public notice requirements, but it is for the Licensing Committee to determine whether or not such a consultation should be undertaken based on the proposed tariff table.

4. What are the equality and diversity impacts of this decision?

A completed EqIA is attached at Appendix E.

5. What are the resource implications including non financial resources:

5.1 There will be a cost in the public consultation of the proposed tariff table as we would be required to place an advert in a local newspaper. However this cost will be met from the existing budgetary provision.

6. Section 151 Officer comments:

6.1 There are no additional financial implications for the Council to consider in this report.

7. What are the legal aspects?

These are set out in Paragraph 3 of this report

8. Monitoring Officer Comments:

Provided the consultation process set out in this report is followed, the Monitoring officer has no concerns to raise about the content of this report.

9. Report details:

As detailed in section 1.

10.1 How does the decision contribute to the Council's Corporate Plan?

10.1 The appropriate setting of a taxi tariff table will contribute to a healthy and safe city, and lend support to a robust, business friendly economy.

11. What risks are there and how can they be reduced?

11.1 The publication of a proposal to increase taxi fare levels may lead to criticism by members of the public who rely on such services and are adverse to such changes. However, the proposed tariff table has been developed by the taxi trade rather than the Licensing Authority, and in the event of adverse consultation responses this matter would be referred back to the Licensing Committee for further consideration.

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

As listed in the EqIA, attached at Appendix E

13. What other options are there, and why have they been dismissed?

13.1 The Licensing Committee may reject the request for consultation on the proposed tariff and instead maintain the existing tariff table. However, this may lead to the taxi trade in Exeter becoming economically unattractive to new taxi drivers/ proprietors and hence affect the trade as a public transport service.

Lee Staples
Principal Licensing Officer

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

Local Government (Miscellaneous Provisions) Act 1976

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LIST OF APPENDICES:

- APPENDIX A: Existing and Proposed Tariff Tables
- APPENDIX B: Hackney carriage Driver survey
- APPENDIX C: National and Devon Fare Comparison Table
- APPENDIX D: 2013 Tariff Table
- APPENDIX E: Equality Impact Assessment