

This Report will be made public on 9.9.2022

Report Number **DCL/22/38**

To: Planning & Licensing Committee
Date: 20 September 2022
Status: Non-Executive Decision
Responsible Officer: Ewan Green – Director of Place

SUBJECT: HACKNEY CARRIAGE FARES

SUMMARY: This report considers the responses from the statutory public consultation regarding the proposed increases to the Hackney Carriage Tariff. As objections were received to the original proposals, the Planning & Licensing Committee are required to consider and give final approval to any revised proposals.

RECOMMENDATIONS:

1. To receive and note report DCL/22/38.
2. To adopt the tariff rates and fees as proposed in the local Taxi Trades counter proposal as set out in Table 1-4 in Part 2 of this report.
3. To agree to regularly review the Tariff every 3 years recognising that the Trade and stakeholders may highlight issues that may bring forward such reviews.

1. BACKGROUND

- 1.1. Hackney Carriage Vehicles and Drivers are regulated by the Town Police Clauses Act of 1847 and the Local Government (Miscellaneous Provisions) Act 1976, as well as Byelaws made under Section 68 of the Town Police Clauses Act 1847 and Section 171 of the Public Health Act 1875.
- 1.2. The process of setting a fare increase is complex and a balance needs to be struck between the legitimate aims of the taxi trade to maintain profitability in the face of increasing costs, while protecting the public from excessive fares.
- 1.3. The maximum fare that Hackney Drivers can charge whilst they are working in the district is set by the Council. The last fare increase was made in 2012.
- 1.4. The taxi trade are not obligated to charge the maximum fare. This means that the hackney carriage drivers are within their rights to negotiate the fare down provided that the final agreed fare is no more than the maximum set.
- 1.5. The Department for Transport's 'Taxi and Private Hire Vehicle Licensing: Best Practice Guidance' (March 2010) advises -

"Taxi fares... in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at ranks, or for on-street hailings... But local licensing authorities can usefully make it clear that published fares are a maximum..."

"There is a case for allowing any taxi operators who wish to do so to make it clear... that they charge less than the maximum fare..."

- 1.6. Requests to consider increasing the maximum fares were received from the Taxi Trade in early March 2022 through to June 2022. These requests consisted of a petition from 28 drivers and separate emails from 6 other drivers. The effect of recent cost of living and fuel price increases on the continued commercial viability of providing a taxi service to the public were given as the key reasons for making this request.
- 1.7. The procedure for setting fares and public notice requirements are stipulated within section 65 of the Local Government (Miscellaneous Provisions) Act 1976 and the statutory process for consultation under s.65 was followed.
- 1.8. Please see Appendix 1 for a table which shows the comparison of the proposed Folkestone & Hythe fare increase against the latest fare tariff of the bordering Local Authorities, namely Canterbury City Council, Ashford Borough Council, Dover District Council and Rother District Council.
- 1.9. Following agreement from the Planning & Licensing Committee on 28 June 2022 a proposal of an increase of 10% to the baseline fares was put out to a 4-week statutory consultation that ran from 28 June to 26 July 2022. The proposed new maximum fares were advertised in a local newspaper, on our website and at the Civic Centre noticeboard. The Taxi Trade were contacted by email.

- 1.10. Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976, it states that if no objections to the fare proposals are received then the fares should go live at the end of the consultation period. If objections are received during the consultation period, and are not withdrawn, the Council are required to consider them, together with any proposals put forward and to decide whether or not to modify the fares.
- 1.11. Objections and alternative fee proposals were received as part of the consultation, and they are required to be presented to the Planning & Licensing Committee for consideration.
- 1.12. The agreed new Hackney Carriage Charges are required to be published no later than 2 months after the end of the statutory consultation period, which is 26 September 2022.

2. OUTCOME OF THE STATUTORY CONSULTATION

- 2.1. In total, 48 responses to the proposal were received and are attached in Appendix 2. An alternative proposal was suggested by the Taxi Trade and is supported by a petition. The proposed charges are attached in Appendix 3.
- 2.2. The 48 responses breakdown as follows: 9 individual responses were received from taxi drivers and a petition with 39 signatories, all of whom are taxi drivers, supporting an alternative proposal, was also received. There were no responses from members of the public.

An overview of the consultation responses is shown in the table below.

Response	Percentage of responses
Did not want to see any increase	0%
Supported the proposal as it was	0%
Generally supported a 10% increase but proposed a different way of increasing the tariff	85.4%
Wanted to see a larger increase in the tariff	14.6%

- 2.3. The following tables numbered 1 to 4 below show the comparison of the cost of a 2 mile, 5 mile and 10 mile journey using the proposed Folkestone & Hythe fare increase, the alternative proposal supported by the taxi driver petition and current Folkestone & Hythe fare tariffs.

Table 1

Tariff 1 – 06.00 to 00.00 Monday to Sunday excluding Bank Holidays and the Christmas and New Year period from 18.00 on 24 December to 26 December & from 18.00 on 31 December to 01 January.

	Taxi Trade Proposal Monday to Sunday	Folkestone & Hythe DC Proposal Monday to Sunday	Folkestone & Hythe DC Current Monday to Saturday	Folkestone & Hythe DC Current Sunday
2 miles	£6.80	£6.60	£6.00	£7.00
5 miles	£12.80	£12.54	£11.40	£12.40
10 miles	£22.80	£22.44	£20.40	£21.40

Table 2

Tariff 2 – 00.00 to 06.00 Monday to Sunday excluding Bank Holidays and the Christmas and New Year period from 18.00 on 24 December to 26 December & from 18.00 on 31 December to 01 January.

	Taxi Trade Proposal Monday to Sunday	Folkestone & Hythe DC Proposal Monday to Sunday	Folkestone & Hythe DC Current Monday to Saturday	Folkestone & Hythe DC Current Sunday
2 miles	£10.20	£9.90	£9.00	£10.00
5 miles	£19.20	£18.81	£17.10	£18.10
10 miles	£34.20	£33.66	£30.60	£31.60

Table 3

Tariff 3 – Christmas and the New Year Period

	Taxi Trade Proposal	Folkestone & Hythe DC Proposal	Folkestone & Hythe DC Current
Please note the different periods of time apply to each proposal.	From 18.00 on 24 December to 06.00 on 27 December & from 18.00 on 31 December to 06.00 on 02 January.	From 18.00 on 24 December to 26 December & from 18.00 on 31 December to 01 January.	From 18.00 on 24 December to 26 December & from 18.00 on 31 December to 01 January.
2 miles	£13.60	£13.20	£12.00
5 miles	£25.60	£25.08	£22.80
10 miles	£45.60	£44.88	£40.80

Table 4

Tariff 4 – Bank Holidays - Anytime

	Taxi Trade Proposal	Folkestone & Hythe DC Proposal	Folkestone & Hythe DC Current
2 miles	£10.20	£9.90	£7.00
5 miles	£19.20	£18.81	£12.40
10 miles	£34.20	£33.66	£21.40

- 2.4 The Folkestone & Hythe DC proposal puts forward a 10% increase across the baseline Hackney Carriage Tariff with some exceptions including the increase to the soiling charge, increased from £25 to £50, and the tariffs for Sundays and Bank Holidays which have been brought more in line with neighboring Local Authorities. Please refer to Appendix 1. On a Sunday for a 2 mile journey there is a small decrease and for the 5 and 10 mile journeys a small increase of 1.1% and 4.8% respectively. Please refer to Tables 1 and 2 above.
- 2.5 The proposal put forward by the Taxi Trade, supported by a petition, puts forward increases, which for a 2 mile journey equates to a 13.3% increase, a 12.3% increase for a 5 mile journey and a 11.7% increase for a 10 mile journey across Tariffs 1, 2 and 3. There is an exception for Sundays where in Tariff 1 there is a small decrease for a 2 mile journey and for the 5 and 10 mile journeys a small increase. There are increases on Sundays for journeys which fall into Tariff 2 for a 2 mile, 5 and 10 mile journey. These grow larger in size from 2% for a 2 mile journey to 8.2% for a 10 mile journey. Please refer to Tables 1 and 2 above.
- 2.6 On 17 August 2022, the Office for National Statistics published the Consumer Price Inflation Rate for July 2022 as 10.1%. At the start of the month, the Bank of England forecast that higher gas prices would push inflation above 13% towards the end of this year.
- 2.7 The Taxi Trade proposal ensures fares are calculated to the nearest 10p reducing the cash change drivers and passengers would need to carry.
- 2.8 It should be noted that the start distance proposed by the Taxi Trade has increased from 586 yards to 704 yards and the drop distance decreased from 195.5 yards to 176 yards. From the second mile onwards, this results in 10 drops per mile as opposed to 9 drops per mile when compared to the FHDC proposal.
- 2.9 Increases for Bank Holidays are more substantial across both proposals but are similar to those set in in other neighbouring Local Authorities. Please refer to the table in Appendix 1 and Table 4 above.

2.10 The key differences between the Taxi Trade and Folkestone & Hythe DC proposals are detailed in the table below.

	Folkestone & Hythe Proposal	Taxi Trade Proposal
Start distances	586 yards	704 yards
Drop distances	195.5 yards	176 yards
Number of drops per mile	9	10
Each article of luggage	£0.22	£0.20
Each person in excess of one	£0.22	£0.20
Soiling charge max	£50	£50
Waiting time per hour	£22	£22 (Tariff 1) £33 (Tariff 2 & Bank Hols) £44 (Xmas & New Year)

3. REGULAR REVIEW OF FARES

3.1 The Department for Transport's 'Taxi and Private Hire Vehicle Licensing: Best Practice Guidance' (March 2010) includes some guidance around taxi fares at paragraphs 52 to 54. It notes that it is "*good practice to review the fare scales at regular intervals*". The guidance also emphasises that "*Fare scales should be designed with a view to practicality*" and goes on to state that -

'The Department also suggests that in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand.'

3.2 Accordingly, it is recommended that the Hackney Carriage Fares are reviewed every three years recognising that the Taxi Trade may request to bring forward such reviews.

4. NEXT STEPS

4.1. The Planning & Licensing Committee are asked to approve the adoption of the Taxi Trade's counter proposal for the following reasons:

- The proposed increases are more in line with the Bank of England's current prediction of an increase of over 13% in inflation by the end of the year.

- It is the more practical, rounding fares to the nearest 10p and therefore reducing the amount of change both drivers and passengers are required to carry.
- 4.2. Subject to the approval of the Planning & Licensing Committee, the new fares must come into effect no later than the 26 September 2022. This is a legislative requirement based on the period since the first proposal was made and the public consultation period. The Taxi Trade will need to update their meters to show the new tariffs and the council web page showing the maximum tariffs will need to be updated.
- 4.3. The Tariff will subsequently be reviewed every 3 years recognising that the Taxi Trade and other stakeholders may highlight issues that could bring forward such reviews.

5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks are as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Decrease in the quality of service provided to customers	High	Medium	To implement an increased tariff and agree to regularly review it.
Decrease in Taxi Fleet	High	Medium	To implement an increased tariff and agree to regularly review it.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (NM)

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 empowers the Council to vary the table of fares in connection with the hire of a hackney carriage. The Council is legally obliged to publicise in a local newspaper, details of any variations to the table of fares, and to consider any objections received.

6.2 Finance Officer's Comments (TM)

There are no finance implications relating to this report.

6.3 Diversities and Equalities Implications (GE)

There are no diversity and equality implications relating to this report.

6.4 Climate Change Implications

As this report deals entirely with the review and modification of the Hackney Carriage Tariff in response to requests made by the Taxi Trade, there is no climate change impact.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

- 7.1 Councilors with any questions arising out of this report should contact the following officer prior to the meeting:

Nicola Wilson, Environmental Health and Licensing Senior Specialist

Telephone: 01303 853262

Email: nicola.wilson@folkestone-hythe.gov.uk

Appendices

Appendix 1: A table which shows the comparison of the proposed Folkestone & Hythe fare increase against the latest fare tariff of bordering Local Authorities.

Appendix 2: Responses to the statutory consultation.

Appendix 3: Alternative proposal put forward by the Taxi Trade and petition.