

Taxi Fare Review

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Purpose of the Report

1. For members to consider changes to the hackney carriage fares.

Public Interest

2. The Council is responsible for setting the maximum fares that hackney carriages (taxis) can charge for journeys. Charges that hackney carriage drivers can make include distance as well as carrying luggage and other services which are listed on the fare card. The Council does not set the fares or charges that private hire operators can make for journeys.

Recommendations

3. That the Licensing Committee
 - a) Discuss the review of the fares and the comments received from the hackney carriage vehicle licence holders.
 - b) Agree that consultation can take place.

Background

4. The Local Government (Miscellaneous Provisions) Act 1976, Section 65 the Council provides the power to set fares charged by hackney carriage (taxi) drivers within its controlled district.
5. Several hackney carriage vehicle licence holders have contacted Licensing to request that the fares they can charge are reviewed.
6. Due to increasing fuel and vehicle operating costs, drivers have asked that we review the fares. The last review of fares took place in 2016.
7. The formula, previously agreed by the Licensing Committee in April 2016 was used to set the proposed fares.



8. The legislation requires the Council to publish a notice in local newspaper regarding proposed changes to the fares and to consider any objections.
9. The fares were last reviewed in 2016 and this resulted in an increase. It is now appropriate to review the fares given the recent significant rises to the cost of fuel. It is recognised that raising the cost of fares too greatly may adversely impact the ability of users to afford to use taxis.

Report Detail

Formula for Setting Fares

10. A formula for setting fares was agreed by the Licensing Committee in 2016.
11. The calculation in the 2016 report is as follows:
 1. Government's April published annual average earnings figure (published by Office for National Statistics (ONS)).
 2. Average of the AA pence per mile total for standing charges and running costs in respect of petrol cars £25,000 to £32,000 and for diesel cars £26,000 to £36,000 both based on an average of 30,000 miles per annum.
 3. Additional taxi insurance premium, over and above the AA insurance figure, currently approx £1,300.
 4. The cost of a Council taxi drivers badge and vehicle licence.
 5. Dead mileage figure, it is thought that given the nature of Hackney Carriage work in a large rural area like South Somerset, then this figure should be set at 40% of the total annual mileage, in this case 18,000. 40% is also the figure that is generally considered reasonable by HMRC.

$$\frac{1+2+3+4}{5}$$

12. The agreed formula used the AA cost of motoring figures as part of the calculation, however this data is no longer published, therefore the motoring expenditure published by the ONS was applied to the AA cost of motoring figures which were used when setting the 2016 fares.
13. The formula and updated costs were used to calculate the cost per mile. The new cost per mile is £2.66 (cost £2.31 per mile in 2016). This represents an increase of approximately 14% from the last time the fares were reviewed.
14. The proposed fares can be seen in Appendix 2.

Comparison with Neighbouring Authorities

15. Private Hire and Taxi Monthly magazine publish a table showing the fares set by each local authority. The fares show the cost of a two mile journey (on tariff one). There are 355 local authority fares included in the table.

16. The chart below shows the position on the table, cost, and when the fares were set.

Council	Position on table	Cost	Year Fares Set
Mendip	56	£6.80	2019
Sedgemoor	59	£6.80	2019
Somerset West and Taunton	60	£6.80	2022
South Somerset	101	£6.50	2016

17. If the proposed fares are agreed, a two mile journey would cost £7.60.

Comments from Hackney Carriage Vehicle Licence Holders

18. The proposed fares were sent to hackney carriage vehicle licence holders to let them know that a review is taking place and to seek their views on the proposals.

19. This does not replace the full consultation which will take place if the Committee approves consultation for the proposals.

20. The proposed fares were sent to 44 vehicle licence holders.

21. Three comments were received in relation to the proposed fares.

22. A representative from one company requested that the rate for the first six tenths of a mile be increased from the £4.60 to £5.00

23. One respondent said that they were happy that the fares were being reviewed.

24. Another respondent commented on the additional charges for passengers in excess of four and luggage. They gave an example of a journey which would normally cost £15. If they carried the maximum number of people their vehicle allows (8 passengers) and they had 15 pieces of luggage between them, the extras would be £21.85 on top of the £15 fare.

25. They have suggested that rate 2 is used for 6 to 8 seater vehicles, reducing the charge for extras to £0.70 for items/pets etc. and removal of extra charges for additional passengers.

Financial Implications

26. The financial costs arising from the implementation of the new hackney carriage fares can be funded from the 2022/23 approved licensing budget. The costs incurred in implementing this change relate to advertising, communication and the administrative costs.

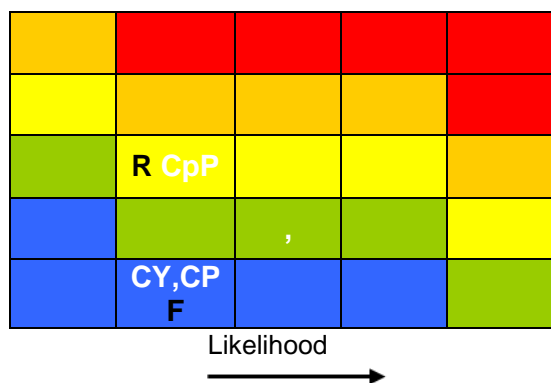
Legal implications (if any) and details of Statutory Powers

27. There is no legislative requirement to set or review hackney carriage fares, however, fares set by the Council it is effectively a salary cap so it is best practice to review the fares periodically. The ability to set fares is contained in section 65 of Local Government (Miscellaneous Provisions) Act 1976 and the process is outlined in the report. The Equality Impact Assessment identified the need to carry out a greater level of consultation than the legislation requires to ensure that people who are likely to be impacted by changes to fares are aware and have the opportunity to comment. It is proposed that there is a 28 day consultation period and Citizen Space is used to gather views.

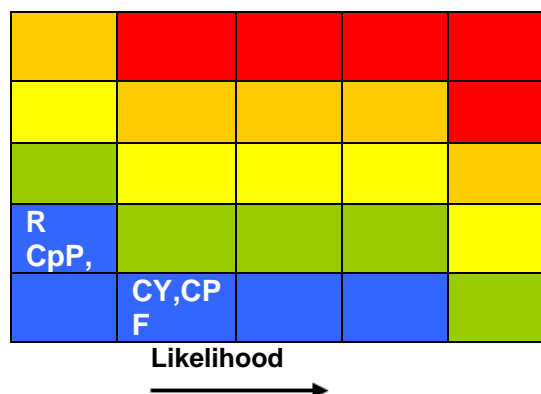
Risk Matrix

28. The risk matrix shows risk relating to the Council Plan headings.

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

29. This revised policy supports the Council Plan themes, in particular The Protecting Core Services and Economy.

- Deliver a high quality, effective and timely service to our customers
- Supporting growth within the South Somerset economy.



South Somerset District Council

Carbon Emissions and Climate Change Implications

30. The environmental assessment toolkit has been used to consider carbon and climate implications of this report. Overall there are no negative carbon or climate change implications in reviewing the fares.

31. There are no effects on the greenhouse gas emissions from the Councils own estate and operations.

Equality and Diversity Implications

32. A full equality impact assessment was carried out because even though the fares would apply to all journeys, the changes may have a negative impact on persons with protected characteristics because research carried out by Department for Transport that persons aged 17 to 29 made journeys in taxis and private hire vehicles than other age groups and people with mobility difficulties made more journeys in taxis and private hire vehicles than people who do not have mobility difficulties.

Privacy Impact Assessment

33. The fares which are the subject of this report do not involve the processing or handing of personal data. The consultation process is likely to result in personal data being processed. The responses would be handled by SSDC and any responses would have any personal details removed before being published.

Background Papers

34. SSDC Taxi Fare Formula Setting 12 April 2016