

General Licensing Committee Meeting	
Meeting Date	12 th July 2018
Report Title	Review of the Taxi Tariff
Cabinet Member	Cllr Mike Cosgrove, Cabinet Member for Regeneration
SMT Lead	Mark Radford
Head of Service	Della Fackrell, Resilience & Licensing Manager
Lead Officer	Tom Dunn, Licensing Officer
Key Decision	No
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. Members to determine the level of increase to the taxi tariff. 2. That Members authorise the Licensing Team to proceed with their chosen option and complete the tariff setting process in the minimum timeframe allowed by legislation. 3. Members to agree a timescale for future taxi tariff reviews

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to provide Members with detailed information and the options available when setting the maximum scale of fares for licensed Hackney Carriages operating within the borough of Swale.

2 Background

- 2.1 Under the Local Government (Miscellaneous Provisions) Act 1976 Section 65, the Council has the power to set the maximum fares charged within its area by Hackney Carriage (taxi) drivers.
- 2.2 Swale Borough Council last amended the Hackney Carriage tariff with effect from 6th October 2013 and is attached at Appendix I. Our current maximum fare across a 2 mile journey is £6.30.
- 2.3 As our current tariff hasn't been reviewed for a period of five years, members may wish to consider setting a regular timescale when the General Licensing Committee will deliberate the tariff. This will give us the opportunity to regularly review our taxi tariff and ensure it is appropriate taking into account current affairs, such as fuel costs and inflation.

- 2.4 Hackney Carriage drivers have the option of charging less than the tariff set and Private Hire drivers are not governed by the tariff, as they can charge their own rates as statute allows.
- 2.5 A public and trade consultation took place between 7th March and 6th April 2018 to ascertain whether the public and drivers thought that taxi fares should change. As a result the licensing team received 8 responses of which 6 were in favour and 2 were against an increase in tariff.
- 2.6 The findings following the consultation were presented to the General Licensing Committee on 19th April 2018, when it was decided that Members would like to see an increase in the tariff and instructed Officers to compile relevant proposals.
- 2.7 On 24th April 2018 we held a meeting with the trade to discuss various topics, one of which was the taxi tariff. The general consensus was to increase the tariff across all three areas, the flag (starting charge), the fall (ongoing charge for distance) and the waiting time.
- 2.8 For information the Office of National Statistics published that the Consumer Price Index including owner occupiers' housing costs (CPIH) 12 month inflation rate for May 2018 was 2.3% which is up from April 2018 when it was 2.2%. Rising fuel prices produced the largest upward contribution¹.
- 2.9 Appendix II shows the CPIH rate of inflation over the past ten years from May 2008 to May 2018. This allows us to compare the rate of inflation over the past five years looking at each May as per the following:
- May 2014 1.5% increase in CPIH
 - May 2015 0.4% increase in CPIH
 - May 2016 0.7% increase in CPIH
 - May 2017 2.7% increase in CPIH
 - May 2018 2.3% increase in CPIH
- If we applied the rate of inflation to our current 2 mile journey at £6.30, this would lead to an increase to £6.76.
- 2.10 On Monday 11th June 2018 the Department for Business, Energy and Industrial Strategy confirmed petrol was 128.6p and diesel was 132.6p per litre. This compared to the equivalent week in 2017 is an increase of 12.9p for petrol and 14.9p for diesel².
- 2.11 Fuel prices constantly fluctuate depending on a number of factors including market forces, global events and new technology. The graph at Appendix III shows the average fuel price per month in the UK since 2013³.

2.12 On 2nd January 2018 a season ticket, anytime ticket, off-peak ticket and super off-peak ticket rose by 3.6% with Southeastern which is the largest increase for five years⁴.

3 Proposals

3.1 After careful consideration and taking into account the comments received from the trade on 24th April 2018. Drivers and operators preference is for a small increase across all elements of the tariff rather than focusing on just the flag or fall. The following three options have been proposed by the Licensing Team:

- Option 1 - To increase the flag to £3.00, change the fall to £0.10 every 83 yards (76 metres) or uncompleted part thereof and amend the waiting time to £0.35 for every 1 minute or uncompleted part thereof. This option is equivalent to £7.00 for a 2 mile journey. This tariff can be seen at Appendix IV.
- Option 2 - To increase the flag to £3.00, change the fall to £0.10 every 87 yards (80 metres) or uncompleted part thereof and amend the waiting time to £0.35 for every 1 minute or uncompleted part thereof. This option is equivalent to £6.80 for a 2 mile journey. This tariff can be seen at Appendix V.
- Option 3 - To increase the flag to £3.00 and change the fall to £0.10 every 92 yards (84 metres) or uncompleted part thereof. This option is equivalent to £6.60 for a 2 mile journey. This tariff can be seen at Appendix VI.

3.2 These options were proposed to provide alternatives ranging from a below, slightly above and a larger increase in comparison to the rate of CPIH inflation over the past five years as seen in 2.9. If either option is adopted, the taxi meter can easily be recalibrated in line with the chosen tariff unlike a metre set at £6.76 for a 2 mile journey.

3.3 When creating the proposals, other authorities based in Kent were taken into account; this was to ensure we are looking to increase the tariff in line with neighbouring Councils. At Appendix VII you can see we currently sit 8th within Kent and 87th country wide for the highest taxi tariff.

3.4 If Option 1 is approved, we would be highest within Kent alongside Dartford and Tunbridge Wells. This would rank us between 9th and 20th nationally where authorities are £7.00 for a 2 mile journey.

3.5 If Option 2 is approved, we would be 3rd highest within Kent behind Dartford and Tunbridge Wells. This would rank us between 22nd and 34th nationally where authorities are £6.80 for a 2 mile journey.

3.6 If Option 3 is approved, we would be joint 4th highest within Kent alongside Medway. This would rank us between 46th and 59th nationally where authorities are £6.60 for a 2 mile journey.

- 3.7 Members to establish how often the taxi tariff will be reviewed. At a recent meeting with the taxi drivers and operators they requested that the tariff is reviewed on an annual basis as had previously been the case. This of course may not result in an increase (or decrease) but would satisfy that the current financial conditions had been reviewed in line with the maximum charge.
- 3.8 Members may decide that either two or more years intervals would be more appropriate. However if a major financial incident occurs, there may be a need to have an exception to the regular reviewing of the taxi tariff if deemed appropriate.

4 Alternative Options

- 4.1 Members may consider the three options listed in section 3 inadequate and therefore:
- Decide their own proposal when considering a change in the current tariff.
 - Ask Licensing Officers to source further proposals.
 - Implement the rate of CPIH inflation increase to £6.76 per 2 mile journey.
- 4.2 Alternatively Members may decide to not set a regular timescale and review the tariff as and when it is deemed appropriate.

5 Consultation Undertaken

- 5.1 The three options detailed in section 3 of this report were consulted with the trade to ascertain their preferable increase.
- 5.2 The consultation was conducted through Survey Monkey during the period of 04/06/2018 up to and including 22/06/2018. This was distributed to all our 394 licensed drivers and 40 Private Hire Operators.
- 5.3 During this period we received 77 responses of which 36 (46.75%) were in favour for Option 1, 22 (28.57%) in favour for Option 2 and 19 (24.68%) in favour of Option 3. Analysis depicting this information and comments received from the trade is attached at Appendix VIII and IX.

6 Implications

Issue	Implications
Corporate Plan	The service is an important regulatory function undertaken to ensure safety of the private hire and hackney carriage vehicles

	used in the Borough and supports the achievement of corporate priorities, including “A council to be proud of”.
Financial, Resource and Property	The cost of consultation will be met from within existing budgets. The cost of re-calibrating individual meters would be met by licensed drivers and operators.
Legal and Statutory	<p>Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 enables a district council to set the maximum fares charged within its area for hackney carriage (taxi) drivers for various distances over which paying passengers are conveyed, as well as any associated charges.</p> <p>In accordance with those legal provisions, proposed taxi fare amendments must be advertised in the local press and made available in the Council Offices for a minimum of 14 days to allow for any objections to be made.</p> <p>If no objections are received, or any that have been made are subsequently withdrawn, the proposed new fares become effective from the day specified in the notice.</p> <p>If any objections are received which are not withdrawn, the new fare will not automatically take effect. To allow time for consideration of the objections, a new date for the fares must be set, which shall be no later than two months after the date of consultation end, as stated in the public notice. During this period, the objections would be considered and if appropriate, the proposed fare tariff modified accordingly.</p> <p>Appendix X is a flowchart showing the above process.</p>
Crime and Disorder	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.
Environmental Sustainability	None identified
Health and Wellbeing	None identified
Risk Management and Health and Safety	An unreasonable increase in the level of fares could be a source of resentment amongst the travelling public. Equally an unreasonably low increase or no increase could be a source of resentment amongst the trade.
Equality and Diversity	There is a potential negative impact to protected groups including the disabled and vulnerable people who rely on taxis as a principle form of transport.
Privacy and Data	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 Fares Table
- Appendix II: CPIH table of increase for the last ten years¹.
- Appendix III: Fuel Prices since 2013⁴
- Appendix IV: Option 1 - Proposed Fares Table - £7.00
- Appendix V: Option 2 - Proposed Fares Table - £6.80
- Appendix VI: Option 3 - Proposed Fares Table - £6.60
- Appendix VII: Benchmarking with other Kent Authorities
- Appendix VIII: Analysis from Survey Monkey
- Appendix IX: Comments from Survey Monkey
- Appendix X: Flowchart detailing the legal process

8 Background Papers

8.1 Local Government (Miscellaneous Provisions) Act 1976

9 Web Sources

- 9.1 ¹Office of National Statistics:
<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/may2018>
- 9.3 ²Department for Business, Energy and Industrial Strategy:
<https://www.gov.uk/government/statistical-data-sets/oil-and-petroleum-products-weekly-statistics>
- 9.4 ³Petrol Prices: <https://www.petrolprices.com/the-price-of-fuel/>
- 9.5 ⁴Kent Online: <http://www.kentonline.co.uk/kent/news/commuters-hit-by-rail-fare-136427/>