

REPORT TITLE: REVIEW OF HACKNEY CARRIAGE FARES

6 SEPTEMBER 2022

REPORT OF CABINET MEMBER: Cllr Jackie Porter, Cabinet Member for Place and Local Plan

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WARD(S): ALL

PURPOSE

The Council has received a request from the Taxi and Private Hire forum to review the hackney carriage fares, following significant increases in trade-related costs and the cost of living since the last review in 2011. This reports seeks to propose new hackney carriage fares for consultation and to subsequently take effect in late 2022.

It is recommended that the Licensing and Regulation Committee review the possible options for the fare charts as set out in this report and agree a proposal to be put forward for consultation.

RECOMMENDATIONS:

That the Licensing and Regulation Committee -

1. Consider whether the hackney carriage fares should or should not be varied at this time.
2. Where it is agreed that they should be varied, agree which of the proposed fare charts produced by the Taxi and Private Hire Forum (as contained as appendix 3 to the report) should be put forward for consultation.
3. Agree the length of time for which public consultation shall take place. The relevant legislation requires not less than 14 days; the Licensing Department is proposing 21 days.

4. Approve the list of consultees for the purposes of public consultation as shown in Appendix 5.
5. Where there are no objections received in response to the consultation, that the table of hackney carriage fares be put forward to the next Cabinet Member Decision Day for approval.
6. Where there are objections received in response to the consultation, that the tables of fares is re-considered by the Licensing and Regulation Committee, with necessary modifications made in light of representations received, and is approved.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Vibrant Local Economy
- 1.2 Supporting the local hackney carriage trade to continue providing an essential, safe and professional service for residents, visitors and tourists.
- 1.3 Living Well
- 1.4 The taxi and private hire provide an invaluable service to many different customers, especially those who are less mobile without their own personal means of transport and rely on licensed drivers to pick them up and drop them off door to door. Without this service, some members of our community would find it more challenging to move around the district and beyond.
- 1.5 Your Services, Your Voice
- 1.6 The decision to review the hackney carriage fares is in response to communications from the taxi trade; public consultation will be undertaken to ensure that the views of key stakeholders and the general public are obtained prior to making any decision on fare changes.

2 FINANCIAL IMPLICATIONS

- 2.1 Amending hackney carriage fares requires approximately 4 days of officer time to facilitate drop-in sessions for licensed vehicles to have their taximeters updated and checked by an approved agent, and to re-print and distribute newly approved fare charts.
- 2.2 There is a legal requirement to advertise proposed hackney carriage fares in a local newspaper, at a cost of approximately £210 excluding VAT. This fee will be covered within the existing budget for taxi and private hire licensing.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A district council may fix the rates or fares for hackney carriages under section 65 of the Local Government (Miscellaneous Provisions) Act 1976. This may include fares for time, distance and all other charges associated with the hire of a vehicle (i.e. fouling charge, which is the maximum amount due by the customer when they soil the vehicle).
- 3.2 The relevant legislation requires the Council to publish in at least one local newspaper circulating in the district a notice setting out the proposed fare chart and specifying the period within which objections to the proposal may be made. The specified period for receipt of objections shall not be less than fourteen days from the date of publication.

4 WORKFORCE IMPLICATIONS

- 4.1 The review and implementation of any new hackney carriage fares shall be resourced within the Council's current Licensing Team. The printing and distribution of revised fare charts shall be undertaken by an existing member of the team.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 At the meeting of the Taxi and Private Hire Forum on 12 July 2022, all Members present agreed that the hackney carriage fares should be reviewed, since the last review was in 2016 and the last increase was in 2011.
- 6.2 Members of the Taxi and Private Hire Forum proposed four options for revised fare charts (see appendix 3) using the Council's fare calculator, with consideration given to the rising cost of living, ongoing financial recovery post-pandemic, rising fuel costs and ensuring that taxis are still financially accessible to the public.
- 6.3 On 18 July 2022, the Council sent a pre-consultation survey to all licensed hackney carriage and private hire drivers, vehicle proprietors and operators to seek their views on a review of hackney carriage fares. The survey was open until 29 July 2022 and received a total of 64 responses.
- 6.4 The survey requested that participants confirm whether they agree or disagree with the proposal to review the hackney carriage fares, and where they agreed they were asked to indicate which of the four proposed fare charts they were most in favour of. This survey was held to provide the Licensing and Regulation Committee with data from the taxi trade to assist in informing their decision.

Survey Responses

- 6.5 The first question in the pre-consultation survey asked, 'Do you support a review of the hackney carriage fares in the Winchester district?' 95.31% percent of respondents (61 of 64) answered 'Yes', one respondent answered 'No' and two respondents did not answer the question.
- 6.6 The second question in the pre-consultation survey asked, 'Of the proposed fare charts shown, which is your preference?' An image of the four fare chart options proposed by the Taxi and Private Hire Forum was attached, which can be found at appendix 3.
- 6.7 12.5% of respondents (8 of 64) opted for Option 1;
28.12% of respondents (18 of 64) opted for Option 2;

10.94% of respondents (7 of 64) opted for Option 3;

45.31% of respondents (29 of 64) opted for Option 4;

One respondent stated 'I do not support a review of hackney carriage fares', and another did not answer the question.

- 6.8 The survey required respondents to input their licence number to ensure that responses were from genuine members of the Winchester taxi trade and that responses were not duplicated.
- 6.9 Following confirmation from the Licensing and Regulation Committee of the revised fare chart that they wish to put forward, the Council shall undertake the statutory public consultation and publish the required notice in a newspaper, as per section 3 of this report. The minimum period for consultation is two weeks but this may be extended where the Committee deem it necessary in the public interest.
- 6.10 Notice of the consultation will also be sent to key stakeholders. A proposed list of these persons and organisations is shown at appendix 5. The Committee may opt to amend this list to ensure that all parties considered to be relevant to this issue are consulted on the proposals.
- 6.11 Where no objections are made within the period specified, or if all objections are withdrawn, the hackney carriage fare chart shall be put forward to the next Cabinet Member Decision Day for approval.
- 6.12 Where objections are made within the period specified, the Council shall hold a further Licensing and Regulation Committee meeting to consider the objections and make any necessary modifications to the fare chart in light of objections received. This revised fare chart shall then come into operation not later than two months after the date of the expiration of the period specified.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The Taxis and Private Hire Vehicles (Disabled Persons) Act 2022 prohibits a driver or operator from making, or proposing to make, any additional charge for carrying passengers in wheelchairs or giving said persons mobility assistance as reasonably required.
- 8.2 The Equality Act 2010 prohibits a driver from making, or proposing to make, any additional charge for carrying a disabled person's assistance dog in the vehicle.
- 8.3 It is acknowledged that any increase in fares may adversely impact people with additional needs or accessibility requirements who rely on taxis as a

method of transportation on a regular basis. Those who are unable to afford an increase in fares may consider alternative transport options, such as buses and private hire vehicles (bookable by telephone or app) which are not required to base their prices on the hackney carriage fare chart.

8.4 An Equality Impact Assessment can be found at appendix 6.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 Reviewing the hackney carriage fares does not involve any new processing of personal data and therefore no data protection impact assessment is required.

10 RISK MANAGEMENT

| Risk | Mitigation | Opportunities |
|------------------------|---|---|
| Financial Exposure | | |
| Exposure to challenge | <p>The hackney carriage fare review process could be challenged by Judicial Review, but as an open and fair consultation will take place and the Council's decision-making process is lawful, a successful challenge is considered unlikely.</p> <p>A full consultation will be correctly undertaken which will engage with all relevant stakeholders, with guidance from the Council's Legal Team.</p> | There is an opportunity through consultation to understand the public's views on affordability of an important means of public transport. |
| Innovation | | |
| Reputation | By fixing hackney carriage fares following public consultation, the Council sets the maximum fare payable for specific distances and ensures that customers have access to fairly priced public transport options. | |
| Achievement of outcome | Reviews of hackney | Opportunity to ensure that |

| | | |
|-------------------|--|--|
| | carriage fares are undertaken following receipt of a formal request from the Taxi and Private Hire Forum. | fares are suitably reflective of the cost of living, average salary, fuel prices, and vehicle running costs. |
| Property | None | |
| Community Support | <p>The taxi and private hire trade have expressed their views by way of a survey.</p> <p>All elected Members, Parish Councils, community groups, schools, universities and care homes/hospitals will be consulted, in addition to the taxi and private hire trade and the general public in relation the new fare table.</p> | |
| Timescales | <p>The current hackney carriage fare chart will remain live until any revised version is approved and comes into effect.</p> <p>It is anticipated that, assuming no objections are received during public consultation, the revised fares will come into effect in November 2022.</p> | |
| Project capacity | None | |
| Other | None | |

11 SUPPORTING INFORMATION:

Background

- 11.1 The Council's current hackney carriage fares were adopted in 2011. Through the Taxi and Private Hire Forum, the trade has requested a review of the current fares to reflect the current costs associated with operating in the trade which have increased significantly during this period, and particularly in recent times, with escalating fuel costs. The hackney carriage fares have not increased for eleven years.

- 11.2 In 2016 a review of the hackney carriage fares was undertaken, but was strongly opposed by the trade primarily due to there having been no significant increase in the cost of fuel since the review in 2011. The Licensing and Regulation Committee resolved to not review the maximum fares for hackney carriages at that time.
- 11.3 When considering whether there should be any increase in fares, the Council should consider the underlying inflation rates, changes to costs incurred by hackney carriage drivers and vehicle proprietors, and the consequences for fare paying passengers.

Current Fares

- 11.4 The current fares, as per the last increase in 2011, are as follows:

Distance

For the first 660 yards (603 metres) or part thereof £2.80
For each subsequent 170 yards (155 metres) of part thereof 20p

Waiting

For each 1 minute waiting period, a maximum of 25p

Extra Charges

For each hiring that commences between 11pm and 6am or at any time on Bank or Public Holidays or after 6.30pm on Christmas Eve and New Year's Eve, or at any time on 26 December or 1 January after 6am, an additional 50% is added to the above rate of fare.

For each hiring on Christmas Day or at any time until 6am on Boxing Day (26 December) an additional 100% is added to the above rate of fare.

Fouling Charge*: a maximum of £75.00

* The maximum amount due by the customer when they soil the vehicle.

A copy of the current fare chart can be seen at appendix 1.

Costs

- 11.5 The Office for National Statistics reports a current underlying inflation rate of 8.8%, as of July 2022. The largest upward contributions to the annual inflation rate in July 2022 came from housing and household services (principally from electricity, gas and other fuels, and occupier's housing costs), transport (principally motor fuels) and food and non-alcoholic beverages.
- 11.6 The licensing fees for hackney carriage licences, set by the Council, were last increased by approximately 3% with effect from 1 April 2018.

- 11.7 The HM Treasury's Spring Statement 2022 reported that global oil prices rose 9.3% between the week beginning 14 February and the week beginning 14 March 2022, and UK and European wholesale gas prices increased by more than 30% over the same period. [...] While the Office for Gas and Electricity Markets (OFGEM) energy price cap protects consumers from the rapid changes observed in the wholesale energy market in the short term, the rise in oil prices has already affected petrol pump prices in the UK, which are now at record highs having increased by almost 12% in the time period above.
- 11.8 The cost of unleaded and diesel has increased since the last time the hackney carriage fares were increased in 2011.
- 11.9 The website *petrolprices.com* showed on 4 August 2022 for the Winchester area that the average price for diesel was 194.2 pence per litre, and that the average price for unleaded was 184.5 pence per litre.
- 11.10 In June 2011 when the hackney carriage fares were last increased, the average price for diesel was 142.5 pence per litre and the average price for unleaded was 137.3 pence per litre. This shows an increase in the cost of diesel and unleaded fuel between 2011 and 2022 of 36.3% and 34.4% respectively.
- 11.11 In April 2011, the Office for National Statistics reported that the average weekly earnings for persons living in Great Britain were £462 per week before deductions. In May 2022, the Office for National Statistics reported that this same figure was £601 weekly before deductions. This is a 30% increase between 2011 and 2022.
- 11.12 Overall, the above statistics show an increase in average weekly salary and cost per litre of fuel between 30-37% since 2011.
- 11.13 The Taxi and Private Hire Forum took into consideration the above costs when formulating their proposed fare charts (shown at appendix 3).

Passengers

- 11.14 The Department for Transport's National Travel Survey shows the average number of taxi trips taken per person per year between 2011 and 2020. The average number of taxi trips taken remained broadly the same between 2011 and 2019, at around 10 trips per person per year. In 2020, the average person in England made six taxi or private hire vehicle trips and travelled 28 miles by taxi or PHV. Both of these represented a sharp fall from 2019, when the average person made 11 trips and travelled 59 miles. This can be largely attributed to restrictions associated with the coronavirus pandemic.
- 11.15 Over half (51%) of trips in taxis in 2020 were taken for leisure purposes, the same proportion as in 2019. The other common reasons for trips were commuting (17%), personal business (13%), shopping (9%) and education (7%).

- 11.16 The National Travel Survey also shows the frequency of taxi usage in England in 2019 and 2020. Most people (66%) rarely use a taxi (at most twice a year). This figure was higher in 2020 than in 2019, when it was 58%. Around 21% of people travel by taxi at least once a month and 6% of people travel by taxi on a weekly basis. It is clear from this data that the demand for taxis has decreased, causing further challenges for the taxi trade.

Neighbouring Authorities

- 11.17 Private Hire and Taxi Monthly (PHTM) maintains an extensive resource of hackney carriage fares, updated daily and showing a two-mile fare based on the relevant authority's fare chart. It also ranks authorities from highest to lowest based on the cost of a two mile fare.
- 11.18 At the time of writing this report, Winchester City Council was ranked 226th out of 355 licensing authorities with the fare of £6.20 for a two-mile journey.
- 11.19 For comparison with other licensing authorities in the surrounding area, the fare for a two-mile journey from each authority is shown below. These figures are accurate at the time of writing the report, and an up-to-date PHTM fare table will be presented to the Committee on the day of the meeting.

| Local authority | 2 mile fare | Last fare increase | PHTM table position |
|------------------------|--------------------|---------------------------|----------------------------|
| Hart | £6.80 | 2019 | 12 |
| Basingstoke & Deane | £7.60 | 2022 | 34 |
| Southampton | £7.60 | 2022 | 35 |
| Rushmoor | £7.60 | 2022 | 39 |
| Portsmouth | £7.20 | 2022 | 64 |
| Isle of Wight | £7.10 | 2022 | 74 |
| Eastleigh | £6.70 | 2015 | 131 |
| Havant | £6.60 | 2022 | 148 |
| East Hampshire | £6.40 | 2018 | 175 |
| Winchester | £6.20 | 2011 | 226 |
| New Forest | £6.10 | 2022 | 236 |
| Test Valley | £6.00 | 2019 | 263 |
| Fareham | £5.80 | 2019 | 276 |

- 11.20 The figures in the table above, based on the PHTM table, the year in which each authority last increased its hackney carriage fares. As can be seen in this table, all other authorities in Hampshire have increased their fares more recently than Winchester and the Council's rates are amongst the lowest in the county.
- 11.21 The Council has been advised by Test Valley Borough Council that it is also planning to also review its hackney carriage fares in 2022.
- 11.22 Several members of the Taxi and Private Hire Forum indicated in the last meeting that they wished to align Winchester's fares with Southampton's

where possible, as the vast majority of taxi drivers licensed by Winchester City Council live in Southampton and many also undertake sub-contracted work from Southampton-based operators. Southampton's 2-mile fare is £7.60 and they rank at number 35 on the PHTM table.

Proposals

11.23 The Licensing Department met with the Taxi and Private Hire Forum on 12 July 2022 following a request from the Forum to review the hackney carriage fares. The Forum worked together to propose four fare charts for consideration, which can be seen in appendix 3 and proposed changes are summarised below.

11.24 Option 1

This proposed fare chart seeks to retain the existing pull off charge of £2.80, the pull off distance of 660 yards, and the yardage distance of 170 yards. It proposes to increase the yardage rate from £0.20 per 170 yards to £0.30 per 170 yards.

This results in a two-mile fare costing £7.90, an increase of 27.4% from the current two-mile fare of £6.20.

This proposal would put Winchester City Council at approximately position 20 on the PHTM table.

11.25 Option 2

This proposed fare chart seeks to increase the pull off charge to £3.20 from £2.80, reduce the pull off distance to 550 yards from 660 yards, and reduce the yardage distance to 140 yards from 170 yards. It proposes to retain the existing yardage rate of £0.20, now charged every 140 yards.

This results in a two-mile fare costing £7.60, an increase of 22.6% from the current two-mile fare of £6.20.

This proposal would put Winchester City Council at approximately position 33 on the PHTM table.

11.26 Option 3

This proposed fare chart seeks to increase the pull off charge to £3.40 from £2.80, reduce the pull off distance to 550 yards from 660 yards, and reduce the yardage distance to 135 yards from 170 yards. It proposes to retain the existing yardage rate of £0.20, now charged every 135 yards.

This results in a two-mile fare costing £7.80, an increase of 25.8% from the current two-mile fare of £6.20.

This proposal would put Winchester City Council at approximately position 24 on the PHTM table.

11.27 **Option 4**

This proposed fare chart seeks to increase the pull off charge to £3.40 from £2.80, the pull off distance of 660 yards, and the yardage distance of 170 yards. It proposes to increase the yardage rate from £0.20 per 170 yards to £0.30 per 170 yards.

This results in a two-mile fare costing £8.50, an increase of 37.1% from the current two-mile fare of £6.20.

This proposal would put Winchester City Council at approximately position 7 on the PHTM table.

11.28 **Additional Option 5, based on Hampshire's average PHTM table position**

To determine the average across Hampshire, the PHTM table was used to calculate the mean and median average table positions:

| | |
|--|-----------------------|
| Mean average (<i>sum of values divided by number of values</i>) | Table position 131.76 |
|--|-----------------------|

| | |
|--|--------------------|
| Median average (<i>middle value between highest and lowest value</i>) | Table position 131 |
|--|--------------------|

This is equal to Eastleigh's position on the PHTM table. Based on Eastleigh's two-mile fare of £6.70, a further proposed fare chart is shown at appendix 5.

This proposed fare chart seeks to increase the pull off charge to £3.30.

This results in a two-mile fare costing £6.70, an increase of 8.1% from the current two-mile fare of £6.20.

This proposal would put Winchester City Council at approximately position 131 on the PHTM table.

11.29 Please note that Option 5 was not included in the pre-consultation survey sent out to the taxi trade, as it was formulated after the survey closed following internal discussion about providing an average for the Committee to consider.

11.30 Based on comments made during any public participation at the meeting of the Licensing and Regulation Committee, Members may be minded to amend these proposals slightly before choosing one to put forward for public consultation. A fare calculator will be available at the meeting to enable any amendments to be made accurately.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The Council could opt not to review the hackney carriage fares at this time. It has based the decision to review the fares on the request made by the Taxi and Private Hire Forum to do so, noting that the trade has suffered considerable financial hardship in recent years and trade-related costs have significantly increased since the last fare increase which was 11 years ago. The Council aims to support the trade to ensure that it remains viable and continues to provide a valuable service to the city whilst trying to ensure this mode of travel is affordable to the public.
- 12.2 Members may opt to disregard the four proposed fare charts included in this report, instead amending the existing fare chart as they see fit prior to public consultation. It should be noted that the Taxi and Private Hire Forum made these proposals based on increased average salaries, increased trade-related costs, recovery post-pandemic and the current cost of living crisis. Discussions also focused on the public's ability to afford a reasonable increase in fares.
- 12.3 Taxi and Private Hire Forum members advised that they did not wish to amend the format of the fare chart (i.e. using yards instead of metres or miles) as this would require additional time spent by our authorised taximeter agents writing a new software programme. This would further delay the implementation of the agreed fare chart which Forum members were not supportive of.
- 12.4 There is no legal requirement for the Council to set taxi fares; the relevant legislation permits the Council to do so but does not require it. In the interests of transparency and consistency for customers, it proposes to continue setting the taxi fares using the legal process outlined.
- 12.5 A small proportion of survey responses, outlined in section 6 of this report, indicated that they either did not want a review of hackney carriage fares or they did not answer the question. It is up to the Committee to apply appropriate weight to these responses, taking into consideration the percentage of respondents that indicated that they did want the fares to be reviewed and all other relevant factors.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

- LR365 Review of Fares for Hackney Carriages
Licensing and Regulation Committee, 9 June 2011
- LR486 Review of Fares for Hackney Carriages
Licensing and Regulation Committee, 4 October 2016

Other Background Documents:-

- PHTM: [National Hackney Fare Tables for 2 Mile Tariff 1 – Updated Daily](#)
- Office for National Statistics: [Average weekly earnings in Great Britain July 2022](#)
- Petrol Prices: [Fuel Price Map](#)
- Department for Transport: [Taxi and private hire vehicle statistics, England: 2022](#)
- HM Treasury: [Spring Statement 2022](#)

APPENDICES:

1. Hackney Carriage (Taxi) Fares from 4 July 2011
2. Minutes of the Taxi and Private Hire Forum – 12 July 2022
3. Proposals for Hackney Carriage Fare Review 2022
4. Pre-Consultation Survey: Summary Report
5. Proposed Consultees for Review of Hackney Carriage Fares
6. Equality Impact Assessment (draft)