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**TITLE: HACKNEY CARRIAGE FARES – CONSIDERATION OF COMMENTS RECEIVED FOLLOWING CONSULTATION.**

**COMMITTEE: LICENSING COMMITTEE**

**DATE: 12 SEPTEMBER 2018**

**AUTHOR: SENIOR LICENSING OFFICER**

[T96]

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1.0 ISSUE

1.1 To consider comments submitted in response to the taxi tariff of fares amendment notice published on Friday 29 June.

2.0 RECOMMENDATION(S)

2.1 That Members consider the content of this report, and the comments received following the required consultation period (**Appendix 1**), and approve the amended table of fares set out in Table 3 at paragraph 5.5 of this report to come into effect on or before the 1 October 2018 deadline.

3.0 BACKGROUND

3.1 On Wednesday 20 June 2018 Members considered a detailed report from officers which outlined the reasons why a change to the existing tariff of fares could be justified. Having considered this report, Members authorised Officers to publish a notice of the proposed tariff of fares in accordance with the controlling legislation. In addition to placing this notice, all existing hackney carriage proprietors were notified directly.

3.2 During the consultation period, a total of six objections were received from members of the licensed trade (**Appendix 1**). No comments were received from any other parties consulted, including members of the public.

4.0 SUMMARY

4.1 **Table 1** on the following page provides a summary of the main points raised in the objections received, officer comments on the points raised, and any suggested revisions that officers recommend to accommodate or otherwise those points:

**Table 1**

<b>Objection point</b>	<b>Officer comment</b>	<b>Revision</b>
Changing the Rate 2 switchover time on Saturday and removing Sunday rate will result in fewer taxis being available at these times.	Whilst it was the intention of Officers to amend the Rate 2 changeover time on Saturday, it was not the intention of Officers to remove an incentive to work on Sundays.	Adjust the table of fares to include a specific Sunday tariff.
Whilst moving the Rate 2 changeover time during the week will incentivise working on the weekend evenings, it will not result in more drivers working Monday to Thursday evening, as the majority of drivers have early morning school runs to complete during the week.	The change in switchover time may affect the working pattern of some drivers, but it is not anticipated that it will affect all drivers, as not all drivers have school runs to fulfil. There is a need to incentivise drivers to work later during the week, to provide a service to those returning to the district at a later hour.	No change is recommended.
Changing the Rate 2 changeover time will result in a 30p per journey decrease for drivers operating from the station between the busiest time between 6pm to 8.30pm.	The intention of the review of the table of fares was not to reduce a driver's potential income. It is true, (as was pointed out in the initial report) that the change in time that Rate 2 can be charged would reduce a fare by 20p (not 30p as contained in the objection). It was felt that this impact would be offset by the gains to be made overall, however, it would seem that there is a lot of opposition to the change of timings mainly stemming from the loss of potential income during the 7pm to 11pm period. Officers feel that it is essential to adjust the time to achieve a higher number of drivers working the later shifts, but believe a compromise can be achieved.	Adjust the table of fares to increase the proposed Rate 1 fare of £3.70 to match the current Rate 2 charge of £4.00.
Changing the per passenger charge to a larger fee, but only when more than four passengers are present instead of more than one passenger amounts to a reduction in	This comment is correct. The reason for this proposal was to ensure that the fare paid reflects the type of vehicle being used, and was transparent. It can be argued that the costs of carrying up to four passengers is arguably the	Although Officers feel that the current system is not transparent, and is difficult to justify, Officers also feel that the potential impacts of adopting the proposal will be far greater than initially thought, and more

<p>income to four seat vehicle drivers.</p>	<p>same as carrying one passenger, but the cost in providing a larger vehicle is on the whole proportionately higher. However, it is clear from the objections received that this is a surcharge that is utilised more often than Officers had believed was the case, and therefore, if this was proposal was to be implemented the gains from a main tariff increase would be eroded for the drivers of these smaller vehicles, which represent 40% (45 vehicles) of our taxi fleet.</p>	<p>work should be undertaken before taking any steps to change this part of the tariff.</p> <p>Officers recommend keeping the existing surcharge structure, but also recommend amending the wording to exempt all persons under 18 and disability helpers from counting towards this total.</p>
<p>The rate change makes it cheaper to hire a taxi after midnight on a Bank Holiday than it is during the day itself.</p>	<p>This comment is correct. This anomaly was not picked up by officers when composing the proposed table of fares.</p>	<p>Adjust the table of fares to read "All journeys commenced from 00:00 on a Bank Holiday through to 07:00 the following day.</p>
<p>The additional passenger rate in vehicles seating over 4 persons should be per passenger therefore up to £4 extra per journey.</p>	<p>The proposal to introduce a nominal charge for the 5<sup>th</sup> to 8<sup>th</sup> passengers where a vehicle is capable of carrying more than 4 passengers is to reflect the proportionately more expensive costs of providing this type of vehicle. To charge every passenger would be disproportionate and could result in very large fares for very short journeys i.e. £7.70 for one mile.</p>	<p>As mentioned above, Officers recommend not implementing the proposed change to additional passenger surcharges at this point in time to allow any adopted changes to settle in, and to enable more work to be undertaken on the potential impacts of adopting a change to this surcharge.</p>
<p>The loss of a booking fee will mean that any jobs under five miles will result in a lower fare under the new fares than the current fares.</p>	<p>This statement is not entirely correct. The booking fee of 50p per journey is only permitted when hired from a location other than a rank. So, pre-booked work under 5 miles in distance will not benefit, but immediate hire jobs will benefit from the fare increase straightaway.</p>	<p>The proposal to make Rate 1 £4.00 instead of £3.70 would remove any potential losses.</p>
<p>Charging £7 on a Bank Holiday to travel from the station to the Cathedral is too much.</p>	<p>The table of fares is the maximum a driver may charge it is not compulsory to charge that amount. It will be entirely up to the driver to decide the level of fare they are willing to work a Bank Holiday for,</p>	<p>No change is recommended.</p>

	providing the maximum is not exceeded.	
Proposal is based only on petrol, and licence fees and doesn't take into account living expenses	This comment is not correct. The original report took into account inflationary factors, and specifically mentions cost of living factors (paragraph 5.2)	No change is recommended.

4.2 In addition to the points raised above, a couple of alternative tariff options were suggested by the trade, and these are discussed in the following paragraphs.

#### Suggestion 1

4.2.1 The meter should start at a £3 flag rate, and increase by 20p at each 167.6yds making a first mile rate of £5.10, and a two mile rate of £7.20. The lack of additional information suggests that this is a one rate suggestion.

4.2.2 Rate 1 - 7am to 7pm start rate £4, 1<sup>st</sup> mile at £6.10, two mile rate at £8.20.  
Rate 2 - 7pm to 7am start rate £4.50, 1<sup>st</sup> mile at £6.60, two mile rate at £8.70  
Weekend rate same as rate 2

4.2.3 The options in paragraph 4.2.1 and 4.2.2 would see significant increases in fares over and above those currently charged, and those of the proposal consulted upon.

#### Suggestion 2

4.2.4 Change the rate distance rate to 22p per click.

4.2.5 This change would result in pennies being required to pay for part mile journeys.

#### Suggestion 3

4.2.6

Rate	First mile	For each 160 yards or uncompleted part thereof	Waiting time per minute	Two mile cost	Five mile cost
1 (7am to 7pm Monday to Friday & 7am to 1pm Saturday) (excl. Bank Holidays)	£4.00	£0.20	£0.40	£6.20	£12.80
2 (7pm to 7am Monday to Saturday & 1pm Saturday to 7am Monday)(excl. Bank Holidays)	£4.50	£0.20	£0.40	£6.70	£13.30
3 (Bank Holidays excl. 7pm 24/12 to midnight 25/12, and 7pm 31/12 to midnight 1/1)	£6.50	£0.20	£0.40	£8.70	£15.30

4 (7pm 24/12 to midnight 25/12, and 7pm 31/12 to midnight 1/1)	£7.50	£0.30	£0.40	£9.70	£16.30
Persons carried in excess of 1 (two children under 12 shall count as one person, and children under the age of 3 shall not be counted)				£0.25 per additional person, per trip	
Soiling charge				Not to exceed to £90	
Booking fee				£0.50	
Luggage per item carried in the boot				£0.25	

#### 4.2.7

Rate	First 160 yards	For each 160 yards or uncompleted part thereof	Waiting time per minute	One mile cost	Two mile cost	Five mile cost
1 (7am to 7pm Monday to Friday & 7am to 1pm Saturday) (excl. Bank Holidays)	£2.40	£0.20	£0.40	£4.40	£6.60	£13.20
2 (7pm to 7am Monday to Saturday & 1pm Saturday to 7am Monday)(excl. Bank Holidays)	£3.40	£0.20	£0.40	£5.40	£7.60	£14.20
3 (Bank Holidays excl. 7pm 24/12 to midnight 25/12, and 7pm 31/12 to midnight 1/1)	£4.40	£0.20	£0.40	£6.40	£8.60	£15.20
4 (7pm 24/12 to midnight 25/12, and 7pm 31/12 to midnight 1/1)	£5.00	£0.30	£0.40	£8.00	£11.30	£21.20
Persons carried in excess of 1 (two children under 12 shall count as one person, and children under the age of 3 shall not be counted)				£0.25 per additional person, per trip		
Soiling charge				Not to exceed to £90		
Booking fee				£0.50		
Luggage per item carried in the boot				£0.25		

4.2.8 The difference between the two options in paragraphs 4.2.6 and 4.2.7 is the initial hire or “flag” rate. In 4.2.6, the same charge will be payable for journeys between zero and one mile (£4.00), whereas the option in 4.2.7 would see £2.40 only cover 160yds or 1/11<sup>th</sup> of a mile, and a mile would cost £4.40.

4.2.9 The options in paragraph 4.2.6 and 4.2.7 mirror the current table of fares with regards to changeover times and surcharges, thereby retaining the status quo in the eyes of the public and trade, but as mentioned above, the way in which the fares for short journeys add up would change.

## 5 CONCLUSIONS

- 5.1 The comments received have highlighted some anomalies with the proposed table of fares consulted upon. The main one being the omission of a Sunday tariff, and the Bank Holiday rate cut off time not running to the correct end time.
- 5.2 Objections have been raised to the altering of the changeover times and the loss of, or altering of, some of the surcharges currently permitted.
- 5.3 As detailed above in paragraphs 4.2.1 to 4.2.9 some of the objectors have made suggestions as to how they would like to see the current table of fares replaced. Whilst they seem mathematically possible with regards to how the taximeters are calibrated, the impact of these suggestions would see increases in the fares payable well above those suggested as being reasonable in the first report. **Table 2** below illustrates this:

**Table 2**

<b>Rate 1 comparison</b>							
Distance	Current fares	Consultation (% increase over current)	Option 4.2.1	Option 4.2.2	Option 4.2.4	Option 4.2.6	Option 4.2.7
First 160yrd	N/A	N/A	N/A	N/A	N/A	N/A	£2.40
Flag	N/A	N/A	£3.00	£4.00	N/A	N/A	N/A
1	£3.50	£3.70 <b>(5.7%)</b>	£5.10 <b>(45%)</b>	£6.10 <b>(74.2%)</b>	£3.70 <b>(5.7%)</b>	£4.00 <b>(14.2%)</b>	£4.40 <b>(25%)</b>
2	£5.50	£5.80 <b>(5.4%)</b>	£7.20 <b>(30.9%)</b>	£8.20 <b>(49%)</b>	£6.01 <b>(9%)</b>	£6.20 <b>(12.7%)</b>	£6.60 <b>(11%)</b>
5	£11.50	£12.10 <b>(5.2%)</b>	£13.50 <b>(17.3%)</b>	£14.50 <b>(26%)</b>	£12.94 <b>(12.5%)</b>	£12.80 <b>(11%)</b>	£13.20 <b>(14.7%)</b>
<b>Rate 2 comparison</b>							
Distance	Current fares	Consultation (% increase over current)	Option 4.2.1	Option 4.2.2	Option 4.2.4	Option 4.2.6	Option 4.2.7
First 160yrd	N/A	N/A	N/A	N/A	N/A	N/A	£3.40
Flag	N/A	N/A	£3.00	£4.50	N/A	N/A	N/A
1	£4.00	£5.55 <b>(38.7%)</b>	£5.10 <b>(27.5%)</b>	£6.60 <b>(65%)</b>	£3.70 <b>(-7.5%)</b>	£4.50 <b>(12.5%)</b>	£5.40 <b>(35%)</b>
2	£6.00	£7.65 <b>(27.5%)</b>	£7.20 <b>(20%)</b>	£8.70 <b>(45%)</b>	£6.01 <b>(0%)</b>	£6.70 <b>(11.6%)</b>	£7.60 <b>(26.6%)</b>
5	£12.00	£13.95 <b>(16.2%)</b>	£13.50 <b>(12.5%)</b>	£15.00 <b>(25%)</b>	£12.94 <b>(7%)</b>	£13.30 <b>(10.8%)</b>	£14.20 <b>(18.3%)</b>

- 5.4 Taking on board the content of the objections received, Officers believe that there is scope to amend the proposal to arrive at a solution that will create a balance between the needs of the public who require affordable access to a suitable number of vehicles at all times of the day and night, whilst not prejudicing those who provide that service.

5.5 **Table 3** below is largely based on the table of fares Members approved for consultation in June 2018, but it has been amended to create this balance.

**Table 3**

Rate	First mile (% increase over current fare / actual amount in £'s)	For each 167.6 yards or uncompleted part thereof	Waiting time per minute	Two mile cost (% increase over current fare / actual amount in £'s)	Five mile cost (% increase over current fare / actual amount in £'s)
1 (7am to 11pm Monday to Saturday) (excl. Bank Holidays)	£4.00 (14.2% / 50p)	£0.20	£0.40	£6.10 (10.9% / 60p)	£12.40 (7.8% / 90p)
2 (11pm to 7am Monday to Saturday) (excl. Bank Holidays)	£5.50 (37.5% / £1.50)	£0.20	£0.40	£7.60 (26.6% / £1.60)	£13.90 (15.8% / £1.90)
3 (7am Sunday to 7am Monday) (excl. Bank Holidays)	£4.50 (12.5% / 50p)	£0.20	£0.40	£6.60 (10% / 60p)	£12.90 (7.5% / 90p)
4 (All Bank Holidays from midnight to 7am the following day)	£7.00 (27% / £1.50)	£0.30	£0.40	£10.15 (35.3% / £2.65)	£19.60 (45% / £6.10)
Each passenger in excess of one (persons under the age of 18, and person(s) accompanying a passenger who requires assistance due to their physical or mental condition shall not be counted)				£0.25 per person, per trip	
Soiling charge				Not to exceed to £150	

5.6 **Table 3** if adopted will have the following impacts:

- (i) By upping Rate 1 to £4 from the suggested £3.70 the issue of drivers losing money due to the Rate 2 changeover time moving from 7pm to 11pm is overcome. The only impact of this change is that drivers who choose only to work between 7pm and 11pm will effectively see no increase in the amount they can charge under the new tariff.
- (ii) By adding a specific Sunday tariff, the issue of losing an incentive to work weekends has on the whole been removed, as drivers working Friday evening, Saturday evening and Sunday will see increases in the rates they can charge, and those working Saturday during the day will see no decrease in the rate they can charge. The only impact of the new tariff will be that drivers who only work Saturday afternoons will not see any change in the rate that can charge under this new tariff.

(iii) By increasing the Rate 2 charge significantly, there is an incentive to work more of the night-time economy hours where anecdotally provision has been lacking.

(iv) Retaining the additional per passenger charges, removes the potential for the proposed changes to the main tariffs to erode potential gains, and allows Officers more time to assess the implications of the proposed change.

5.7 If Members determine to approve the table of fares in **Table 3** above, **Table 4** illustrates the impact that this will have on our fares compared to those in the local area:

**Table 4**

<b>Neighbouring authority fares - comparison to current ECDC fares</b>				
<b>Council</b>	<b>2 mile fare (Rate 1)</b>	<b>2 mile fare (Rate 2)</b>	<b>Last increased</b>	<b>Flag rate (Rate 1) (Rate 2 in brackets)</b>
Fenland	£5.30 (6)	£7.90 (2)	2012	£3.30 (£4.90) - 1760 yards (1 mile)
South Cambs	£6.30 (2)	£7.30 (4)	2018	£2.90 (£3.90) - 100.6 yards
Hunts	£5.60 (3)	£6.20 (6)	2011	£4.10 (£4.70) - 234.66 yards
Cambs City	£6.50 (1)	£7.50 (3)	2017	£2.90 (£3.90) - 98.43 yards
Forest Heath	£5.60 (3)	£6.80 (5)	2014	£2.60 (£3.10) - 718 yards
St. Edmundsbury	£5.40 (5)	£8.10 (1)	2015	£3.80 (£5.70) - 1760 yards (1 mile)
<b>East Cambs</b>	<b>£5.50 (4)</b>	<b>£6.00 (7)</b>	<b>2013</b>	£3.50 (£4.00) - 1760 yards (1 mile)
<b>Neighbouring authority fares - comparison to Table 3 proposed ECDC fares</b>				
<b>Council</b>	<b>2 mile fare (Rate 1)</b>	<b>2 mile fare (Rate 2)</b>	<b>Last increased</b>	<b>Flag rate (Rate 1) (Rate 2 in brackets)</b>
Fenland	£5.30 (6)	£7.90 (2)	2012	£3.30 (£4.90) - 1760 yards (1 mile)
South Cambs	£6.30 (2)	£7.30 (5)	2018	£2.90 (£3.90) – 100.6 yards
Hunts	£5.60 (4)	£6.20 (7)	2011	£4.10 (£4.70) – 234.66 yards
Cambs City	£6.50 (1)	£7.50 (4)	2017	£2.90 (£3.90) – 98.43 yards
Forest Heath	£5.60 (4)	£6.80 (6)	2014	£2.60 (£3.10) – 718 yards
St. Edmundsbury	£5.40 (5)	£8.10 (1)	2015	£3.80 (£5.70) - 1760 yards (1 mile)
<b>East Cambs</b>	<b>£6.10 (3)</b>	<b>£7.60 (3)</b>	<b>2018</b>	£4.00 (£5.50) - 1760 yards (1 mile)

5.8 Whilst **Table 4** is not a factor that should be relied upon in isolation to justify a rate change, (or not as the case may be), it is useful to see where our rates would sit amongst neighbouring areas with relatively similar economic pressures. As Members will note, the slightly amended tariff of fares would see ECDC sitting mid-table in both of the main tariffs.

- 5.9 As I explained on my initial report to Members in June, reviewing a table of fares is a very difficult process to undertake. If you set them too high, the public may choose another option, which can result in lower overall income to the very people that requested the review. If fares are set too low, the trade can't afford to make a living and the public ultimately suffer from a poor transport service.
- 5.10 The individual breakdown of the table of fares can also have an impact on individuals. On the driver's side, some drivers may benefit more than others, and as Members have read in the objections, if the table is not set correctly, there is the potential that some drivers may end up losing money due to their shift pattern. On the public side, the lack of incentives to work unsociable hours may result in poor provision of service at these times.
- 5.11 Having considered all of the information available, it is considered that the rates in **Table 3** balance these difficult factors, and should result in all drivers earning more money, and no drivers earning less money as a direct impact of the rate change, as well as better provision of service during the night-time economy hours.

## 6.0 FINANCIAL IMPLICATIONS

- 6.1 From a customer point of view, the only proposal in **Table 3** that exceeds the level consulted upon is the rate 1 charge, which is 30p more per journey than that shown on the notice. The other rates are equal to or slightly less than those consulted upon. Due to this, Officers do not consider it to be necessary to place a further notice seeking additional views.
- 6.2 From a proprietor's point of view the only impact will be the level to which an individual may benefit, which is determined by the pattern they choose to work.
- 6.3 The table of fares contains the maximums that a driver may charge. A driver is free to charge less, where they consider it appropriate.
- 6.4 An Equality Impact Assessment (EIA) has been completed showing there is no adverse impact on the community.

## 7.0 APPENDICES

- 7.1 Appendix 1 Consultation Responses
- 7.2 Appendix 2 Equality Impact Assessment (EIA)

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**Background Documents****Location****Contact Officer**

Local Government  
(Miscellaneous Provisions)  
Act 1976

Room SF208  
The Grange,  
Ely

Stewart Broome  
Senior Licensing Officer  
(01353) 616477

Button on Taxis – Fourth  
Edition

Taxi Tariff 2013