

Extraordinary, Informal Joint Licensing and Regulatory Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Hackney Carriage Fare Review 2019 Stage 2 – Alignment for Single Council	
Report No:	LIC/SE/18/006	
Report to and dates:	Extraordinary, Informal Joint Licensing and Regulatory Committee	4 December 2018
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Purpose of report:	To prepare hackney carriage fares for the creation of a single West Suffolk Council and address issues raised during stage 2 consultation.	

Recommendation:	It is <u>RECOMMENDED</u> that Members: <ol style="list-style-type: none"> 1) <u>Agree</u> that fares should be aligned and take effect before the 1 April 2019; 2) <u>Approve OPTION 1</u>, out of the 4 options, including <u>OPTION 1(i)</u>, (as set out in Report No: LIC/SE/18/006) as an approach for charging for journeys with over 4 passengers; and 3) <u>Approve</u> the effective date of the implementation of the aligned fares be <u>ON 7 JANUARY 2019</u>, (subject to statutory procedure relating to public consultation).
Key Decision:	<i>Is this a Key Decision and, if so, under which definition?</i> No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> • Consultation with the hackney and private hire drivers: 10 September to 5 November 2018
Alternative option(s):	<ul style="list-style-type: none"> • Keep existing, separate fares for the proposed licensing areas of Forest Heath District and St Edmundsbury Borough. This is not recommended as it depends on a later Shadow Executive decision on retaining existing licensing zones. Otherwise there will be no legal basis for having separate fare cards for these areas. • Keep current system for charging for additional passengers (5 or more) in licensed vehicles
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • Statutory procedure for public consultation before fares can be implemented. Detailed in section 2.3 below
<i>Are there any equality implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • Taxis are used disproportionately by older people, individuals on low income and people living in rural areas. An EqIA has therefore been prepared for these proposals

Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Reputation - causing confusion for the trade and the public if other aspects of hackney carriage regulation aren't aligned across the whole of West Suffolk (as proposed for the harmonisation of taxi policy)	High	Effective and transparent communication with the public and the trade to outline that this is a transitional period and the other aspects will be reviewed and consulted upon with two years to ensure there is a clear approach across West Suffolk.	Low
Implementation - Not taking into consideration the representations received could lead to challenge	High	Consultation with the public and the taxi trade and ongoing engagement	Medium
Fare increase – affecting some communities more than others, such as those that rely on taxis for transport, as the aligned fares reflect a 3.3% average rise on current fares	Medium	An equality impact assessment has been carried out showing that this rise is proportional to rise in fuel costs and consumer price index. The committee decision on fares will be subject to a 2 week statutory public consultation	Low
Ward(s) affected:		All Wards	
Background papers:		Hackney Carriage Fare Review stage 1 Licensing & Regulatory Committee Reports (April 2018): Forest Heath: LIC/FH/18/002 St Edmundsbury: LIC/SE/18/002	

Documents attached:

Appendix 1 - Current fares cards and stage 2 consultation fare card

Appendix 2 – fare card options:

1. Stage 2 consultation fare card with 3 alternative ways of charging for additional passengers in Wheelchair Accessible Vehicles
2. Driver proposal
3. 2015 SEBC fares
4. Driver-modified 2015 SEBC fares

Appendix 3 – Consultation form

Appendix 4 - Fare comparisons

Appendix 5 – Trade consultation raw data

Appendix 6 – Signed petition from drivers (covering letter only)

Appendix 7 – Equality Impact Assessment

1. Key issues and reasons for recommendation(s)

1.1 Background

- 1.1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 empowers a local authority to set the fares charged by Hackney Carriages licensed within their district or borough, at the council's discretion.
- 1.1.2 The powers under the Act extend to fixing or varying the rates of fares within the district at the discretion of the authority. It also includes related charges involved in Hackney Carriage vehicle hire by means of a table of fares. This includes set tariffs, which apply at different times and dates, and additional charges including extra passengers, luggage or animals.
- 1.1.3 The Act also sets out a statutory procedure for authorities to vary the fares charged by Hackney Carriage drivers. It should be noted that, when setting Hackney Carriage fares, there is no requirement under the Act to take into account external factors, and there is no limit on the amount of increase or variation.
- 1.1.4 The Hackney Carriages' current fares for Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC) took effect on the 4 June 2018, as outlined in **Appendix 1**.
- 1.1.5 The council consider the views of both taxi businesses and customers as part of fixing Hackney Carriage fares. It is important that the system for calculating fares is transparent and makes it easy for customers to understand how much they have to pay. This depends on fares set by the council and how taximeters are calibrated accordingly.
- 1.1.6 This review aims to prepare for fares for the creation of a single West Suffolk Council and address issues raised during stage 2 consultation, including increasing transparency around a particular additional charge drivers can add to the fare.
- 1.1.7 Care has been taken to ensure the recommended tariffs represent a fair price for customers across West Suffolk, while ensuring they provide a sustainable wage for hackney carriage drivers. The proposed fares include a 3.3% fare rise which reflects the average rise in consumer price index and fuel costs since fares were agreed in April 2018.

1.2 Alignment of Fares

- 1.2.1 As part of preparing to become one Council in April 2019, a staged process has been undertaken to review fares. Stage 1 of the review included agreement on the principle to align the fares across West Suffolk. Relevant policy development has also been undertaken in parallel to review how taxi licensing policies are to be harmonised. The trade has been involved in both processes at appropriate stages.

- 1.2.2 It should be noted that the proposals to harmonise taxi licensing policies include retaining current Hackney Carriage licensing areas of FHDC and SEBC for a transitional period until further comprehensive consultation can take place. The basis for this is to gather sufficient evidence in order to make an irreversible decision on creating a single West Suffolk licensing area, to ensure the outcome is beneficial to the majority of the trade and the public. In keeping with the agreement during phase 1 and the ambition to minimise inconsistency across West Suffolk during this proposed transitional period, it is recommended that the fares of Forest Heath and St Edmundsbury areas are aligned now rather than later in this transition. This will also increase simplicity and transparency for taxi customers when paying Hackney Carriage fares. Transparency of the fares for passengers is considered an important by both the public and drivers, as reflected in the driver petition in **Appendix 6**.
- 1.2.3 The current fares outlined in **Appendix 1** were agreed by the separate Forest Heath and St Edmundsbury Licensing and Regulatory Committees and took effect from the 4 June 2018. Please see reports LIC/FH/18/002 and LIC/SE/18/002 for further detail.
- 1.2.4 In 2018 the committees also agreed in principle to harmonise fares and that this should take place in a phased process:
1. **Stage 1:** representative members of the Hackney trade from both Authorities met as a group with licensing officers for a discussion as to the first round of changes which would align the amount of tariffs and close the gaps to the running miles prices. This allowed the creation of proposed aligned fares for wider consultation with the trade, as set out in **Appendix 1**.
 2. **Stage 2:** a trade consultation on the aligned fares in the form of a survey and two drop in sessions took place from 10 September to 5 November, in parallel to the taxi policy harmonisation consultation described above.
- 1.2.5 Certain principles were used to inform the creation of a single West Suffolk fare card. This included transparency for customers, fairness across West Suffolk and affordability for customers.
- 1.2.6 It should be noted that the decision on the outcome of the stage 2 process has been brought forward in order to align the review with resolving an operational issue with taxi fare meters. Both processes will lead to drivers being brought in for taximeter calibration so they are being combined to minimise disruption to the trade.
- 1.2.7 Subject to agreement by the committee and following a statutory two week public consultation, the fares are to take effect from 7 January 2019. Under the legislation creating the new West Suffolk Council the agreed fares will continue to take effect from 1 April 2019.

2.0 Consultation

2.1 Overview

2.1.1 Councils are only required to consult on the proposed fares with members of the public. This will take place for two weeks subject to a decision on the fares. However, **all** licensed drivers across West Suffolk Councils were written to and given an opportunity to give feedback during both stage 1 and stage 2 of this fares review. Not all licensed drivers operate Hackney Carriage vehicles, however, all licensed drivers receive a combined Hackney and Private Hire licence. A copy of the letter and consultation form can be found at **Appendix 3**.

2.1.2 All 682 combined Hackney/private hire drivers were consulted as part during both stages 1 and 2. The breakdown by types of licence and total response to the stage 2 survey are outlined below (NB: licence figures are correct at the time of publishing this report)

Licensed drivers	Total West Suffolk	Forest Heath	St Edmundsbury
Total West Suffolk drivers	682	197	485
Hackney carriage drivers	205	130	75
Wheelchair Accessible Hackney carriage drivers	75	17	40
Responses to stage 2 survey	33 (including 1 unknown)	12	20

2.1.3 One of the 33 survey responses, 1 was unclear whether it was from a Forest Heath or St Edmundsbury driver. A small proportion of responses were from private hire vehicles, one of whom explained that they use the Hackney fares as a guide for setting their independent fares.

2.1.4 Some of the responses to the Stage 1 trade consultation objected to the fare alignment as proposed. However, they were in favour of the concept of the two authorities completely aligning all fares. More detail on this consultation can be found in report no. LIC/FH/18/002/ LIC/SE/18/002.

2.2 Outcomes of Stage 2 consultation

2.2.1 As above, the trade was invited to respond to the proposed aligned fares through a survey with the option of attending a drop in session with officers for any specific questions. These drop-in sessions also formed part of the taxi policy consultation running in parallel.

2.2.2 31 of the total 33 of Hackney Carriage fare survey respondents agreed that the alignment is a fair amendment. Some comments agreed given that it is a compromise between the two very different fare cards while others agreed with the improved simplicity.

- 2.2.3 Of the majority that agreed with the amendment, some raised the following concerns:
- Fare card wording needs to be clearer around when a meter should switch tariff to ensure consistency. Some may switch half way through a job and some at the end. (This is an error with the meters and has been rectified to improve transparency and does not affect the fare alignment).
 - The jump from £3.20 to £3.80 is too much. £3.50 would be more acceptable (one response).
 - The previous [St Edmundsbury] Sunday rates should be reinstated.
- 2.2.4 Additional concerns and a request were expressed through the survey and at the driver drop-in sessions, as summarised in **Appendix 5**. The concerns have been factored into the updated proposal (option 1) and included:
1. The 'extras' button charging was too complex and should adopt the original St Edmundsbury approach to have multiples of the fare (1.5x tariff) apply for certain times and dates
 2. The fares reflected a significant increase which may put the public off using taxis
 3. Larger wheelchair accessible vehicles should have higher fares due to increased fuel costs.
 4. An additional small (fixed) fare increase for Newmarket race days.
- 2.2.5 Officers requested alternative suggestions from the trade, particularly relating to operation of 'extras' fares. Three extra proposals were put forward from the trade following strong objections from drivers, including a signed petition (**Appendix 6**). All of the proposals are outlined in **Appendix 2**.
- 2.2.6 'Extras' fares for vehicles licensed to carry five or more passengers are currently add-ons to the three standard tariffs consulted upon in stage 2.
- 2.2.7 These charges are added by the driver via an 'extras' button on the taximeter. Following concerns raised by drivers, officers have explored alternative options for drivers to charge for additional passengers. Further detail is outlined in **Appendix 2**.
- 2.2.8 Only St Edmundsbury Wheelchair Accessible Vehicle drivers have objected to the 'extras' buttons and have asked for them to be removed and the approach adopted for the 2015 fares reinstated. This approach is reflected in options 1(i), 3 and 4.

2.3 **Public consultation**

- 2.3.1 If the Committee proceeds with an agreed set of fares then an advertisement setting out the increased fares must be placed in at least one local newspaper. Members of the public will have 14 days from the date of the advertisement in which to submit any representations for or against the fare amendments. If objections are received then they must be considered by the Licensing and Regulatory Committee before the proposed fare changes can be implemented.
- 2.3.2 If no objections are received, the revised table of fares will come into effect on the date specified (not less than 14 days after publication in the newspaper of the notice). If there are objections the Council must set a further date within 2 months of the above date on which the new fares will come into force following further consideration by Members.

3.0 **Approach and Options**

- 3.1.1 Having considered the contents of the report, the representations from the Hackney Carriage Licensees and any public representations, the Committee may:
- (a) Adopt the officer-proposed tariffs (Option 1(i)), or
 - (b) Make modifications/amendments to, and adopt the proposed set of tariffs, or
 - (c) Adopt an alternative set of tariffs, or
 - (d) Make no change.
- 3.1.2 The Committee is requested to consider the options listed below. The West Suffolk fare card in **Appendix 1** was consulted on with drivers for 6 weeks. There were objections to the way licensed WAVs were permitted to charge for additional passengers as the current system was not transparent enough for customers. Option 1 contains an update following driver suggestions and contains a breakdown of the alternative ways extras can be charged for additional passengers. The other three options are separate driver proposals and should be considered as alternatives if the committee choose option (c) above: to adopt an alternative tariff.
- 3.1.3 The option to make no change is not recommended, as it would contradict the wider approach of harmonising fees and charges for customers across the new single council area.
- 3.1.4
- **Option 1** is the proposed stage 2 tariffs consulted upon along with alternative ways to charge for additional passengers (alternatives (i), (ii) and (iii))
 - **Option 2** is a suggestion from one member of the trade.
 - **Option 3** is the St Edmundsbury 2015 fare tariffs supported by some St Edmundsbury drivers.

- **Option 4** is a driver-modified version of the St Edmundsbury 2015 tariffs.

3.1.5 Fare comparisons per mile are set out in **Appendix 4** and show clearly that all options apart from option 3 avoid using the 'extras' button.

3.2 **Recommended option**

3.2.1 Officers recommend option 1(i) as it provides a more transparent way of covering any additional costs of carrying five or more passengers in a wheelchair accessible vehicle (or mini-van).

3.2.2 **Option 1 – Standard Tariffs**

A monthly review of national fares, published by Private Hire and Taxi Monthly, ranks local authorities in England by the cost of a 2 mile journey on tariff 1. As of November 2018, both Forest Heath and St Edmundsbury fares are mid-range and analysis suggests that the recommended West Suffolk fares would rank in between them. The cost of a running mile is consistent across West Suffolk, as this was aligned in June 2018, and reflects an average 3.3% rise across the three standard tariffs compared to current fares. This reflects the ambition to increase fares with the rate of Consumer Price Index increase (Office for National Statistics data).

3.2.3 **Option 1(i)**

Option 1(i) is simple, yet allows drivers to earn slightly more when transporting larger groups, as they do currently across West Suffolk. The three additional tariffs for WAVs carrying over four passengers are multiples of the original tariffs 1:

Tariff <i>(for 5+ passengers)</i>	Multiple of tariff 1	Timing
4	x1.5	Same as tariff 1
5	x2	Same as tariff 2
6	x3	Same as tariff 3

Good practice research carried out by officers looked at 40 local authority fare cards and showed that the most common approach for additional passenger charges is multiples of the set tariffs. Option 1(i) works on this basis, only it has these multiples as separate, additional tariffs to avoid the need for an 'extras' buttons on the taximeter.

3.2.4 This also reflects the approach used for the 2015 St Edmundsbury fares, variations of which were proposed as alternatives by drivers.

3.2.5 Avoiding setting fares that use the 'extras' button will help increase transparency and make it easier for customers to know how much they have to pay.

3.3 **Other factors**

- 3.3.1 The running mile price of the current and proposed fares is the same across West Suffolk. The proposed fares for West Suffolk represent an average increase of 3.3% across the three standard tariffs and the impacts of this for different groups are set out in the equality impact assessment (**Appendix 7**). The assessment found this rise is consistent with the rise in Consumer Price Index and rising fuel costs, which ensures the maximum fares are sustainable for taxi drivers. The recommended fares include a package of slight increases and decreases depending on the tariff, timing and distance of a journey but overall the changes would be consistent across the areas of Forest Heath and St Edmundsbury.