

Review into West Suffolk Council's Hackney Carriage Fares Table for Zone A and Zone B 2022

Report No:	LIC/WS/22/001
Report to and date/s:	Licensing & Regulatory Committee - 11 July 2022
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Decisions Plan: N/A

Wards impacted: All wards

Recommendation: It is recommended that:

1. The report be received; and
2. Members approve the revised table of fares for Zone A and Zone B (Appendix A).



1. Introduction

- 1.1 In light of significant increases in hackney carriage operating costs it is considered appropriate to review the current fare table for both zones as outlined in this report.
- 1.2 A copy of the revised fare tables for Zone A and Zone B is attached at Appendix A.

2.0 Background

- 2.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares for time, distance, and all other charges in connection with the hire of a hackney carriage.
- 2.2 When setting the fares, the legislation does not prevent the Council from considering any external factors, and there is no limit on the amount of increase or variation (subject to reasonableness).
- 2.3 As the Council would like to encourage the provision of high-quality hackney carriage vehicles it is important that fares are balanced, thereby ensuring proprietors are able to support the running costs associated with the high standard of vehicles required by the Council, but at the same time the fare should not be so high as to preclude use by passengers.
- 2.4 West Suffolk Council currently offers six different tariffs across two zones (A and B), which reflect that prior to merging St Edmundsbury and Forest Heath Councils operated as two separate councils.
- 2.5 Members should note that the fares proposed are the maximum which may be charged, with drivers having the option to charge less than the metered fare should they choose.

3.0 Fare Structure

- 3.1 The current fare structure consists of six tariffs based on distance travelled and the time taken:
 - Tariff 1 applies between the hours of 06.00 and midnight.
 - Tariff 2 between the hours of midnight and 06.00, on public/bank holidays AND 18:00 to midnight on Christmas Eve and New Year's Eve.
 - Tariff 3 applies between the hours of 23.00 on 24 December and 06.00 on 27 December and between 18.00 on 31 December and 06.00 on 01 January.
 - Tariffs 4, 5, and 6 match the conditions of the first three tariffs but apply when vehicles are carrying five or more passengers.
 - Tariff 4 comes into effect between the hours of 06:00 and midnight and the vehicle is carrying five or more passengers.
 - Tariff 5 Between the hours of midnight and 06:00 or on a public/bank holiday AND from 18:00 to midnight on Christmas Eve and New Year's Eve and the vehicle is carrying five or more passengers.



- Tariff 6 - From midnight Christmas Eve to midnight Boxing Day and midnight New Year's Eve to midnight New Year's Day and the vehicle is carrying five or more passengers.

3.2 Fares set by local authorities vary from area to area, to give some context the current fares set by neighbouring local authorities compare as follows for a journey of 2 miles under tariff 1:

- Ipswich £6.60
- East Suffolk North £6.60
- Mid Suffolk £6.40
- **Proposed West Suffolk £6.39**
- **National Average £6.28**
- Babergh £6.26
- East Suffolk South £6.20
- **Current West Suffolk £5.60**

3.3 The National Average was taken from Private Hire Trade Monthly, June 2022, which also featured a National Hackney Fares Table. Within this table West Suffolk Council came out at number 259 out of the 349 Local Authorities that impose tariffs for their Hackney carriages.

3.4 Members should note that the above fares are correct at the time of writing this report however other authorities may also be considering or in the process of reviewing fares.

3.5 Clearly there are a number of factors which influence the costs of operating a hackney carriage including vehicle, fuel, maintenance and insurance costs together with the general costs of living.

3.6 At present tariffs 1 and 4 run from 06:00am until midnight, after which tariffs 2 and 5 come into effect which carry a higher fare.

3.7 It is reasonable to assume that those individuals most likely to be negatively affected by an increase in fares will be those who are dependent on taxis for trips during the day e.g. to make hospital appointments, shopping trips, etc. Bringing tariffs 2 and 4 in at an earlier time recognises the additional challenges to the trade with providing a service to the night time economy, and this in turn may lead to an increase in the number of Hackney Carriages available at this time.

3.8 As of 20th June, the national average cost of a litre of diesel has risen to £1.95 and petrol to £1.87 (BEIS Weekly Road Fuel Prices www.gov.uk). However, it should be noted that the actual costs in the more rural areas of the district may well be in excess of these figures. In addition, the cost of used vehicles is on average 31.9% more expensive compared with a year ago (Auto Trader February 2022 Report).



4.0 Proposed Amendments and Rationale

- 4.1 Considering the increased overall running costs associated with the sector, Members are asked to consider the following amendments to these tariffs:
- Increase the fare up to the first mile (commonly referred to as the flag drop) by 14% in respect of all six tariffs for both Zone A and Zone B.
 - Increase the charge for subsequent distance travelled by 14% for all six tariffs for both zones.
 - To bring forward the time at which tariffs 2 and 5 (night time rates) take effect from midnight to 10pm, and subsequently end tariffs 1 and 4 two hours earlier at 10pm across both zones.
 - To reword the additional charge from "if the vehicle is left unfit to work" to "soiling a vehicle to the extent that it is taken out of work". This will bring the phrase in line with commonly accepted terminology.

4.2 For comparison if the proposed fare increase were to be approved, a 2-mile journey on tariff 1 would amount to £6.39, rather than the current rate of £5.60.

4.3 Some example journeys are provided below taking into account the proposals:

Tariff 1	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£3.80	£4.33	14.00
Journey of 2 miles	£5.60	£6.39	14.10
Journey of 3 miles	£7.40	£8.45	14.16
Journey of 5 miles	£11.00	£12.56	14.21
Journey of 10 miles	£20.00	£22.85	14.26
Journey of 20 miles	£38.00	£43.43	14.29
Tariff 2	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£5.60	£6.38	14.00
Journey of 2 miles	£8.30	£9.47	14.11
Journey of 3 miles	£11.00	£12.56	14.16
Journey of 5 miles	£16.40	£18.73	14.21
Journey of 10 miles	£29.90	£34.16	14.26
Journey of 20 miles	£56.90	£65.03	14.29
Tariff 3	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£7.60	£8.66	14.00
Journey of 2 miles	£11.20	£12.78	14.10
Journey of 3 miles	£14.80	£16.90	14.16
Journey of 5 miles	£22.00	£25.13	14.21
Journey of 10 miles	£40.00	£45.71	14.26
Journey of 20 miles	£76.00	£86.86	14.29



Tariff 4	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£5.55	£6.33	14.00
Journey of 2 miles	£8.25	£9.41	14.11
Journey of 3 miles	£10.95	£12.50	14.16
Journey of 5 miles	£16.35	£18.67	14.21
Journey of 10 miles	£29.85	£34.11	14.26
Journey of 20 miles	£56.85	£64.98	14.29
Tariff 5	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£7.55	£8.61	14.00
Journey of 2 miles	£11.15	£12.72	14.10
Journey of 3 miles	£14.75	£16.84	14.16
Journey of 5 miles	£21.95	£25.07	14.21
Journey of 10 miles	£39.95	£45.65	14.26
Journey of 20 miles	£75.95	£86.81	14.29
Tariff 6	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£11.35	£12.94	14.00
Journey of 2 miles	£16.31	£18.60	14.03
Journey of 3 miles	£21.27	£24.26	14.04
Journey of 5 miles	£31.19	£35.58	14.06
Journey of 10 miles	£55.99	£63.87	14.08
Journey of 20 miles	£105.59	£120.46	14.08

- 4.6 The increases have been calculated using a defined methodology that draws a comparison across the average wage and associated running costs in 2019 (when the fares review was last undertaken, as well as 2022. Further information on the sources used can be found in Appendix B.

5. Implications

5.1 Financial

If approved the Council must advertise the proposed fare increase in a local newspaper which can be accommodated within existing service budgets. Any increase in fares would have a financial effect on taxi-users throughout West Suffolk Council.

Any increase in fares would incur a small, one-off cost to all hackney carriage proprietors for a meter recalibration.

5.2 Legal

Where an Authority makes or varies a Table of Fares it must publish in at least one local newspaper a notice setting out the Table or variation, specifying a period not less than 14 days within which objections may be made, and keep a copy of the notice at its offices open to public inspection. If no objection is received or all objections are withdrawn, the Table or variation comes into operation. If an objection is made and not withdrawn, the council must set a further date for the Table or variation to come into effect, with or without modification as decided by it after consideration of the objections.

A Table of Fares has effect as if it were included in the hackney carriage byelaws. Unless the fare is otherwise agreed before the hiring was affected, the Table applies to journeys ending outside the district. It also applies where a hackney carriage is used in the district as a private hire vehicle.



6. Risks

- 6.1 It is important that fares reflect the running costs associated with operating hackney carriage vehicles. Failing to review the fares could be detrimental to hackney carriage proprietors, particularly where the operating costs make the business financially unviable as it currently stands.
- 6.2 Increasing the cost of using taxis may also impact those who are partly or wholly reliant on taxis for transport.

7. Appendices

- 7.1 Appendix A - Proposed Fare Cards for Zone A and Zone B
Appendix B - Sources Used for Taxi Fares Calculator
Appendix C - West Suffolk Council Taxi Fares Calculator

