

Review into West Suffolk Council's Hackney Carriage Fares Table for 2024

Report No:	LIC/WS/24/001
Report to and date/s:	Licensing & Regulatory Committee - 29 January 2024
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Decisions Plan: N/A

Wards impacted: All wards

Recommendation: It is recommended that:

1. The report be received;
2. Members approve the revised table of fares for West Suffolk (Appendix A);
1. Members commit to annually reviewing taxi fares at the full Licensing & Regulatory Committee meeting scheduled closest to 1 March;
2. Members approve the proposed methodology for how an annual fare review will be undertaken as set out in the methodology detailed within the report;
3. Members approve a temporary surcharge of £1 per journey, should petrol and/or diesel prices increase to £2 per litre; and
4. Tariffs 4, 5, and 6 (rates for five or more passengers) are discontinued and tariffs 1, 2, 3 remain in place.



1. Introduction

1.1 During the Licensing and Regulatory Committee meeting on 11 July 2022 it was agreed that the licensing team would commit to carrying out a further review of taxi tariffs in 6 months' time, and from then annually.

1.2 Taxi Tariffs were last reviewed by the Licensing and Regulatory Committee in July 2023 where it was agreed that as fuel costs had come down significantly fares would not increase unless the fuel duty increased in the forthcoming budget.

The Licensing Team received a request for a taxi fare review alongside a table of proposed fare increase in November 2023 (**Appendix B**).

The Licensing Team has reviewed this request and put forward a table of recommended fare increases, which are included within the proposed fare card (**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, which reflect different charges across both the time of day and seasonal holidays.

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:

• East Suffolk North	£8.40
• Trade proposed increase	£8.40
• Licensing proposed increase	£7.60
• Ipswich	£7.50
• Mid Suffolk	£7.50
• National average	£7.22
• Current West Suffolk	£7.20
• Babergh	£7.00
• East Suffolk South	£6.20

3.3 The National Average was taken from Private Hire Trade Monthly, December 2023, which also featured a National Hackney Fares Table. Within this table West Suffolk Council currently came out at number 144 out of the 340 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.

3.8 As of 8th January 2024, the national average cost of a litre of diesel is at 148.21 pence per litre and petrol at 139.72 pence per litre¹, (Department for Energy, Security and Net Zero). These reflect a decrease of 25.0 pence per litre for diesel, and a decrease of 10.2 pence per litre for petrol on the previous year. It should be noted that these are national figures, and the actual costs in the more rural areas of the district may well be more than these figures.


Average used car retail prices have fallen on a year-on-year basis for the first time since March 2020. Auto Trader's Retail Price Index shows that the average price of a used car was £17,736 in September, down 0.4% year-on-year and 1.2% month-on-month.²

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:

¹ www.gov.uk/government/statistics/weekly-road-fuel-prices

² [Used car prices fall for first time in over three years, Auto Trader reports \(fleetworld.co.uk\)](https://www.fleetworld.co.uk/news/used-car-prices-fall-for-first-time-in-over-three-years-auto-trader-reports)



- a. Increase the distance for the initial charge from 1424 yards to 1760 yards (1 mile) (commonly referred to as the flag drop) and to increase the cost of the flag by 8% in respect of all tariffs.
- b. Decrease the distance at which the charge for subsequent distance travelled applies from 168, to 160 yards whilst keeping the current costs in respect of all tariffs.
- c. To annually review taxi fares at the full Licensing & Regulatory meeting scheduled closest to 1 March.
- d. To approve the proposed methodology for how an annual fare review will be undertaken and how the proposed increase will be aligned as set out in the methodology detailed within the report.
- e. Approve the conditions for when a temporary fuel charge would come into effect, should fuel prices increase during the year
- f. Discontinue Tariffs 4, 5, and 6 (rates for five or more passengers) with tariffs 1, 2, 3 remaining in place.

It is proposed to review taxi fares annually during the Licensing and Regulatory Committee meeting that is scheduled nearest to March each year. This will allow the Licensing Team and the Taxi Trade to more effectively plan and in turn allow for a smoother process to review taxi fares.

Agreeing to review fares against an agreed methodology, allows the Licensing Team to prepare the proposed fare card in time for the Licensing and Regulatory Committee to promptly review annually. An agreed methodology provides additional certainty to the taxi trade.


It is proposed that the cost for a two miles under tariff 1 increases in line with the CPI or 5% (whichever is highest). This journey has been chosen as it is recognised as the most common journey. This would be achieved by amending both the flag rate and additional distance to provide this increase, and in turn an increase across all tariffs.

It is proposed to discontinue tariffs 4, 5, and 6. There are currently 6 different tariffs in place for journeys within West Suffolk. It is hoped that simplifying the tariff structure to 3 tariffs will increase transparency for the travelling public and help them understand the cost of their journeys.

4.2 For comparison if the proposed fare increase were to be approved, a 2-mile journey on tariff 1 would amount to £7.60, rather than the current rate of £7.20.

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

Tariff 1	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£5.00	£5.40	8.00
Journey of 2 miles	£7.20	£7.60	5.56
Journey of 3 miles	£9.20	£9.80	6.52
Journey of 4 miles	£11.40	£12.00	5.26
Journey of 5 miles	£13.40	£14.20	5.97
Journey of 10 miles	£24.00	£25.20	5.00
Tariff 2	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£7.50	£8.10	8.00
Journey of 2 miles	£10.80	£11.40	5.56
Journey of 3 miles	£13.80	£14.70	6.52



Journey of 4 miles	£17.10	£18.00	5.26
Journey of 5 miles	£20.10	£21.30	5.97
Journey of 10 miles	£36.90	£37.80	5.00
Tariff 3	Current Fare	Proposed Fare	% Increase
Journey of 1 mile	£10.00	£10.80	8.00
Journey of 2 miles	£14.40	£15.20	5.56
Journey of 3 miles	£18.40	£19.60	6.52
Journey of 4 miles	£22.80	£24.00	5.26
Journey of 5 miles	£26.80	£28.40	5.97
Journey of 10 miles	£48.00	£50.40	5.00

- 4.6 The increases have been calculated using a defined methodology that considers both the flag rate and additional distance charge. Further information on the calculations used can be found in Appendix C.

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 Card
 Appendix B – Proposed tariffs from the trade
 Appendix C – West Suffolk Council Taxi Fares Calculator

