

**Committee: Planning, Regulatory and General Licensing Committee (General Licensing Committee)**

Date of meeting: 20<sup>th</sup> June 2022

Report Subject: Taxi Fare Tariff Increase from 1<sup>st</sup> July 2022

Portfolio Holder: Licensing

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Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
7.6.22	9.6.22							General Licensing Cttee 20.6.22

**1. Purpose of the Report**

1.1 The Council's Constitution states that power to fix fares relating to Hackney Carriages lies with the Corporate Director for Regeneration and Community Services and is subject to scrutiny by the General Licensing Committee. This report therefore seeks the views of the Committee on a proposal to increase the hackney carriage fare tariff and the outcome of the consultation process in respect of those fares. In the absence of the Corporate Director, temporary arrangements are in place for decision making to be undertaken by the Interim Chief Executive.

**2. Scope and Background**

2.1 This report relates to the setting, advertisement and consultation in respect of taxi fares, which will affect all hackney carriage fares in Blaenau Gwent other than where a pre-arranged fare has been agreed, provided that the agreed fare does not exceed the meter fare.

2.2 Enquiries were received from a number of licensed taxi drivers in late February 2022 in respect of a possible increase to the current hackney carriage fare tariff due to the rising costs of fuel. An official request was received on 9<sup>th</sup> March 2022, shortly prior to the commencement of the pre-election period on 18<sup>th</sup> March 2022, from the Blaenau Gwent Taxi Association. Following legal advice, the consultation exercise could not be commenced until after the local elections on 5<sup>th</sup> May 2022. A copy of the current fee alongside the proposed increase is attached at **Appendix 1**. The appendix

also shows the current and proposed fares for journeys of two miles, five miles and ten miles.

- 2.3 On 12<sup>th</sup> May 2022, a formal consultation was commenced for 14 days with the licensed taxi trade and the public. The required advert was published in the Gwent Gazette on 12<sup>th</sup> May 2022, stating that the new fares would come into operation on the 1<sup>st</sup> July 2022 and giving 14 days in which to respond. In addition, details of the consultation were published on the Council's social media pages and website and Members and interested parties within the Council were written to.
- 2.4 Of the 142 trade consultees, five responses were received, all of which agreed with an increase in the fare tariff, one of which agreed with the proposal whilst four offered an alternative proposal, attached in **Appendices 2,3, 4 and 5**. All proposals are shown for comparison at **Appendix 6**. No responses to the consultation were received from the members of the public.
- 2.5 "The Private Hire and Taxi Monthly" magazine publishes "league tables" showing fare tariffs for a daytime journey of 2 miles throughout England and Wales, attached is at **Appendix 7**. This shows that in May 2022, fares in Blaenau Gwent were ranked at 318 out of 349 authorities for whom figures were produced, and one of the cheapest in Wales, alongside Rhondda Cynon Taff at £5.20 for a two mile journey.
- 2.6 The average UK figure is given as £6.24 for a two mile journey on the league table. Fares in Gwent currently range between £5.20 and £5.70, giving an average of £5.48.
- 2.7 The increase proposed by the trade would give a cost of £6.40 for a 2 mile daytime journey, placing the Authority at position 137 of 349 on the UK league table. It should be noted however that this league table represents a snapshot in time and it is likely that many Authorities will also be reviewing fares as fuel costs impact on the cost of living. This may cause positions in this league table to be fluid.
- 2.8 "RAC Foundation" fuel tracker figures as at 6<sup>th</sup> June 2022, illustrate that diesel costs in the UK have increased on average by 40% since June 2018. This compares with the proposal in Appendix 1 which represents an increase of 23% on the meter cost of a 2 mile journey.  
(<https://www.racfoundation.org/data/uk-pump-prices-over-time>)
- 2.9 There will be a cost to the trade of changing taxi meters to show any new fare tariff. A local company is able to undertake this at convenient locations for the taxi trade at a cost of £10 - £15 per meter. Other taxi meter companies can also provide the re-calibration service although the vehicle owner would need to travel to the meter company's base.
- 2.10 Some meters may be too old to be able to change the tariff, therefore new meters will need to be purchased by the vehicle owner and prices start at around £200. Some vehicles may also require additional interfaces and

equipment, which will increase the cost. Meters can be installed on site and take around 25 minutes to install.

- 2.11 Some meters are tied to dealerships, and these will need to go back to the company which fitted it originally.
- 2.12 The discussion around hackney carriage fares does not affect the small number of private hire vehicles in the Blaenau Gwent area who do not have a meter installed showing fares and are therefore free to set their own fares.
- 2.13 Hackney carriages will remain able to agree fares, including for pre-booked journeys, providing they are lower than the adopted fares. In this respect, the meter fare is a maximum charge and the driver will be free to charge less than the metered fare if they wish.
- 2.14 Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976, the Authority is required to:
  - 1 Advertise the proposed fares, giving a minimum of 14 days for objections to be made, and
  - 2 Where objections are received and not withdrawn, set a date no later than two months after the original proposed date in which to consider the objections and implement the fares with or without modifications.
- 2.15 Final approval of taxi licence fees rests with the Corporate Director of Regeneration and Community Services under the Council's Constitution and this is subject to Scrutiny by Planning, Regulatory and General Licensing Committee.

### 3. Options for Recommendation

- 3.1 In respect of the proposed taxi licence fares, the Committee are asked to consider the following options which will form a recommendation to the Corporate Director of Regeneration and Community Services on the fare tariff:
  1. That the proposed taxi fare tariff should come into force as proposed in **Appendix 1** , on 1<sup>st</sup> July 2022 (**preferred option**), or
  2. That the Committee recommend an alternative specified fare tariff which will be advertised and implemented in accordance with the statutory process (using the options outlined in **Appendix 6** as guidance).

### 4. Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

This report relates to the statutory duty of the Authority to determine the fare tariff charged by the hackney carriage trade.

A vibrant taxi trade supports well-being aims, by ensuring access to facilities and services across Blaenau Gwent. The taxi trade also impacts on the ability of people to get to work, go shopping etc. whilst minimising the need for car ownership and the associated impact on the environment and our roads. It is recognised that the proposed fare increases will particularly impact on the ability of vulnerable people, such as the elderly and disabled, to access a form of transport that is important to them. However, the competitive nature of the trade will limit the impact during the day, and the fare increase will help ensure the continuation of a vibrant and competitive local taxi trade.

## **5. Implications Against Each Option**

### **5.1 *Impact on Budget (short and long term impact)***

There are no direct budget implications to the Local Authority in relation to the recommended option or the alternatives, other than the need to re-advertise any new fare tariff determined by the General Licensing Committee if such a decision is subsequently confirmed by the Corporate Director in due course.

Longer term, if fare tariffs are set too high, this may negatively affect demand for the taxi trade. Fares which are set too low however may result in some taxi businesses becoming economically unviable if costs rise to unsustainable levels and this could result in a reduction in the number of licensed Hackney Carriages in Blaenau Gwent. Should this occur, the Authority would also experience a consequential reduction in licence fee income.

There is also a potential impact on transport services offered by this Authority to vulnerable groups accessing services via Home to School Transport and Social Services. These transport services rely heavily on taxis and, although much of this work is undertaken via a procurement contract process (which is likely to remain competitive), current ad-hoc transport costs and future procurement processes are likely to see cost increases.

### **5.2 *Risk including Mitigating Actions***

The main risk to both the Authority and the taxi trade is reputational as any fare increase is likely to be unpopular with service users.

As stated in 5.1 however, there is also a risk that failure to increase fares to an appropriate level at this time could result in the taxi trade becoming economically unviable, leading to a reduction in available taxi services as well as budgetary implications for the Authority.

### **5.3 *Legal***

This report relates to powers vested in the Authority to determine fares charged by the taxi trade, and there is unlikely therefore to be significant legal impact.

#### 5.4 ***Human Resources***

There are no human resource issues for the Authority as a result of this report.

### 6. **Supporting Evidence**

6.1 The proposed fare structure has been developed following consultation with the taxi trade and in conjunction with the local taxi trade association. The public have been given the opportunity to comment via the advertisement of the proposed fares as detailed in this report.

#### 6.2 ***Expected outcome for the public***

This report aims to continue to set an appropriate fare tariff for the taxi trade in Blaenau Gwent to support thriving, competitive and affordable taxi services for the public.

Cost comparisons for taxi fares across the UK are shown in **Appendix 7**. However, the following points should be borne in mind:

- (i) The taxi trade differs across authorities – in Torfaen, for example, there is a thriving private hire trade that means that many longer journeys, even in hackney carriages, are pre-booked and cost less than the hackney carriage tariff.
- (ii) There are a high number of owner/drivers in Blaenau Gwent, meaning that vehicles are generally not used for more than the standard working hours as in some other authorities, and vehicle costs per journey may be higher.

Any revised fare tariff will remain in place until and unless changes are requested by the taxi trade.

#### 6.3 ***Involvement (consultation, engagement, participation)***

Consultation with the taxi trade, general public and other Council Departments has been undertaken as detailed in this report.

#### 6.4 ***Thinking for the Long term (forward planning)***

The proposals in this report recognise the inflationary costs affecting the local taxi trade and seeks to balance this with wider requirements for a thriving taxi trade in Blaenau Gwent.

#### 6.5 ***Preventative focus***

The proposals seek to support the taxi trade by setting an appropriate fare tariff during the current unprecedented economic pressures, which could affect their viability to trade.

## 6.6 ***Collaboration / partnership working***

The fare tariffs are set by Blaenau Gwent CBC and no collaboration is undertaken in this duty. However, Appendix 7 does indicate how this compares with other Authorities.

## 6.7 ***Equality Impact Assessment***

The equalities issues are recognised in that vulnerable people such as the elderly and disabled are more likely to be dependent on the taxi trade for their transport needs. However, this has to be balanced against the fact that:

- (i) The taxi trade has not had an increase in fares for over 4 years, and currently are among the lowest fares in the UK,
- (ii) These proposed increases recognise the inflationary pressures affecting the trade, and
- (iii) The provision of a vibrant and competitive taxi trade is essential for vulnerable groups, and the taxi trade needs to remain profitable if this is to be achieved.

## 6.8 ***Decarbonisation and Reducing Carbon Emissions***

There is no significant impact of this report however it is noted that a thriving taxi trade can help support a reduction in the need for vehicle ownership.

## 7. **Monitoring Arrangements**

7.1 The Licensing Team will ensure the effective implementation of any new fare structure by:

- (i) Carrying out enforcement inspections of hackney carriages to ensure that fare meters have been updated as required, and
- (ii) Investigating any complaints from the public etc. regarding the charging of incorrect fares.

### **Background Documents/Electronic Links**

Appendix 1 – current hackney carriage fare and proposal

Appendix 2 – alternative proposal A

Appendix 3 – alternative proposal B

Appendix 4 – alternative proposal C

Appendix 5 – alternative proposal D

Appendix 6 – all proposals

Appendix 7 – Private Hire Monthly league table