

Wiltshire Council

Licensing Committee

20 June 2022

Subject: Proposed Changes to Wiltshire Council's Hackney Carriage Fee Structure

Cabinet Member: Councillor Mark McClelland – Highways & Environment

Executive Summary

Wiltshire Council has a statutory responsibility under the Town Police Clauses Act 1847, the Local Government (Miscellaneous Provisions) Act 1976 and the Transport Act 1985 to licence and oversee hackney carriage and private hire services. Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976 the council also has the power to set the maximum fee levels that can be charged by licensed hackney carriage vehicles and the times at which these can be charged, these are known as tariffs.

The current schedule of fees and tariffs was implemented only recently on 04 January 2022. However recent world events have seen fuel prices rise to record levels, this is having a significant impact on taxi drivers and operators. Drivers and operators have contacted the Council to request support in the form of a fare increase to support their businesses.

The Taxi Licensing team have completed a fare benchmarking exercise with our neighbouring authorities and the results are shown within this report.

The Licensing Committee are requested to evaluate the data provided and approve the recommendation of the Taxi Licensing Team shown in section 15.

Proposal

It is proposed that the Licensing Committee considers the data provided on Wiltshire's current Hackney Carriage Fee levels against those of our neighbouring authorities to determine if the Taxi Licensing team's recommendation to raise tariff one fares by 5%, after drivers and operators requested a rise, is correct.

If approved by the Licensing Committee the fare increase will be implemented and the Council's reasoning, contained in this report, will be communicated to the industry. Should the proposal be rejected by the committee the Taxi Licensing Team will communicate to the industry that after evaluation fare levels were deemed appropriate.

Reasons for Proposal

- To ensure that residents and visitors travelling in Wiltshire pay fare rates that are appropriate and encourage the use of hackney carriage vehicles.
- To ensure that Wiltshire pay fare rates are appropriate and allow the viable provision of hackney carriage vehicles by drivers and operators.
- To safeguard individuals and ensure travel by taxi is affordable, reduce the number of people walking home.
- To ensure hackney carriage charges in Wiltshire are comparable to our nearest neighbours, encouraging more visits in Wiltshire to boost our local economies.

Peter Binley
Interim Director, Highways & Environment

Wiltshire Council

Licensing Committee

20 June 2022

Subject: Proposed Changes to Wiltshire Council's Hackney Carriage Fee Structure

Cabinet Member: Councillor Mark McClelland – Highways & Environment

Key Decision: Yes

1.0 Purpose of Report

1.1 To provide Wiltshire Council's Licensing Committee with the relevant information to make an informed decision on whether hackney carriage fares in Wiltshire should be raised or remain at the same level.

2.0 Background

2.1 Wiltshire Council has a statutory responsibility under the Town Police Clauses Act 1847, the Local Government (Miscellaneous Provisions) Act 1976 and the Transport Act 1985 to licence the hackney carriage and private hire services. Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976 the council also has the power to set the maximum fee levels that can be charged by licensed hackney carriage vehicles and the times at which these can be charges, these are known as tariffs.

2.2 The current schedule of fees and tariffs had been in place since 2015 prior to a small change in January 2022. 20p was added to the flag rates, the standing charge, in January 2022 but no change was made to the mileage rates charged. The mileage rates have remained the same since 2015. The use of tariffs was amended to make travel after 2.30am cheaper, the objective was to support the night time economy in Wiltshire. The use of tariff 2 was also brought forward making journeys more expensive between 10pm and 10.30pm.

2.3 The current schedule of fees and charges is shown below, it should be noted that the tariff only shows the maximum fee that can be charged. A driver / operator can make a business decision to accept a lower fee to secure a fare.

For journeys starting	Vehicles up to four seats	Vehicles with more than four seats carrying more than four passengers
7 am – 9:59 pm	Tariff 1	Tariff 2
10:00pm – 06:59 am and all day Sundays, and after 8pm Christmas Eve & New Years Eve	Tariff 2	Tariff 4
All day on 25 December, 26 December and 1 January & Public Holidays	Tariff 3	Tariff 5

	Tariff 1	Tariff 2	Tariff 3	Tariff 4	Tariff 5
Journeys up to 176 yards, 1/10 mile	£3.50	£4.80	£5.30	£4.80	£6.30
Waiting time per minute	20p	30p	40p	45p	60p
Minimum fouling charge	£100	£100	£100	£100	£100

Current Schedule of fees & charges.

2.4 Research by the taxi licensing team has shown fees in Wiltshire to be on a par with those of neighbouring Local Authorities. Wiltshire charges are the highest amongst neighbouring authorities in the 10-10.30pm time slot. The table below shows a comparison of fares at various times on the day. The graphs show the costs for a journey and how the charges in Wiltshire compare against those of neighbouring authorities.

Standard Vehicles

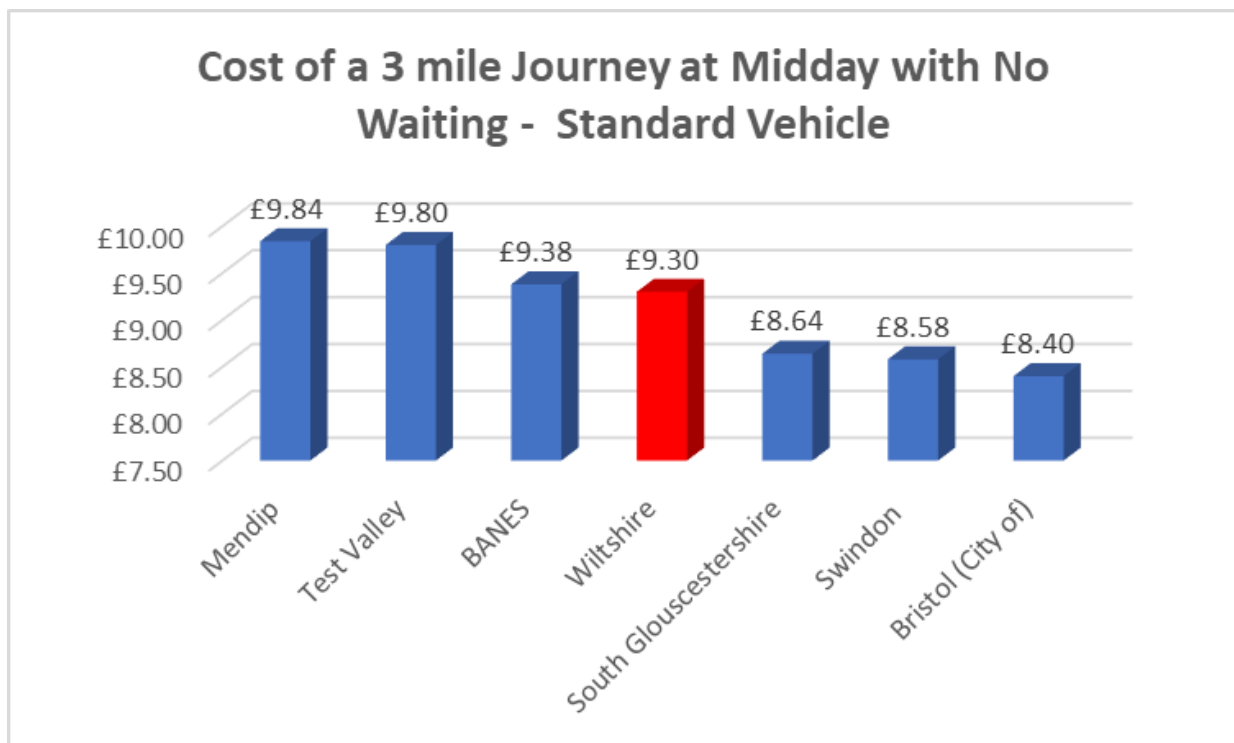
4 Seat Vehicles													
Authority	Flag Rate - Day Time	Flag Rate - 10pm	Flag Rate After Midnight	Flag Rate After 2am	Cost per Mile - Day	Cost per Mile - 10pm	Cost per Mile - After Midnight	Cost per Mile - After 2am	Waiting Time per Min - Day	Waiting Time per Min - After 10pm	Waiting Time per Min - After Midnight	Waiting Time per Min - After 2am	Fouling Charge
Wiltshire	£3.50	£4.80	£4.80	£4.80	£2.00	£3.00	£3.00	£3.00	20p	30p	30p	30p	£100
Mendip	£3.20	£3.20	£4.55	£5.90	£2.29	£2.29	£3.43	£4.58	34p	34p	51p	68p	£100
BANES	£3.00	£3.50	£4.00	£4.00	£2.27	£2.27	£2.27	£2.20	30p	30p	30p	30p	£100
Bristol (City of)	£2.60	£3.40	£3.40	£3.40	£2.00	£2.30	£2.30	£2.30	33p	38p	38p	38p	£100
Test Valley	£4.00	£4.00	£6.00	£6.00	£2.00	£2.00	£3.00	£3.00	30p	30p	45p	45p	£75
Swindon	£3.50	£3.90	£3.90	£3.90	£1.75	£1.75	£1.75	£1.75	45p	45p	45p	45p	£75
South Gloucestershire	£2.40	£3.90	£3.90	£3.90	£2.44	£2.44	£2.44	£2.44	33p	39p	39p	39p	£62.50

Large Vehicles – More than four passengers

More Than four seats													
Authority	Flag Rate - Day	Flag Rate - 10pm	Flag Rate After M	Flag Rate After 2	Cost per Mile - D	Cost per Mile - 1	Cost per Mile - A	Cost per Mile - A	Waiting Time per	Waiting Time per	Waiting Time per	Waiting Time per	Fouling Charge
Wiltshire	£4.80	£4.80	£4.80	£4.80	£3.00	£4.50	£4.50	£4.50	30p	45p	45p	45p	£100
Mendip	£3.20	£3.20	£4.55	£5.90	£2.29	£2.29	£3.43	£4.58	34p	34p	51p	68p	£100
BANES	£3.00	£3.50	£4.00	£4.00	£2.27	£2.27	£2.27	£2.20	30p	30p	30p	30p	£100
Bristol (City of)	£2.60	£3.40	£3.40	£3.40	£2.00	£2.30	£2.30	£2.30	33p	38p	38p	38p	£100
Test Valley	£4.00	£4.00	£6.00	£6.00	£2.00	£2.00	£3.00	£3.00	30p	30p	45p	45p	£75
Swindon	£3.50	£3.90	£3.90	£3.90	£1.75	£1.75	£1.75	£1.75	45p	45p	45p	45p	£75
South Gloucestershire	£2.40	£3.90	£3.90	£3.90	£2.44	£2.44	£2.44	£2.44	33p	39p	39p	39p	£62.50

It is noted that only Wiltshire Council and Mendip have a separate rate for larger vehicles.

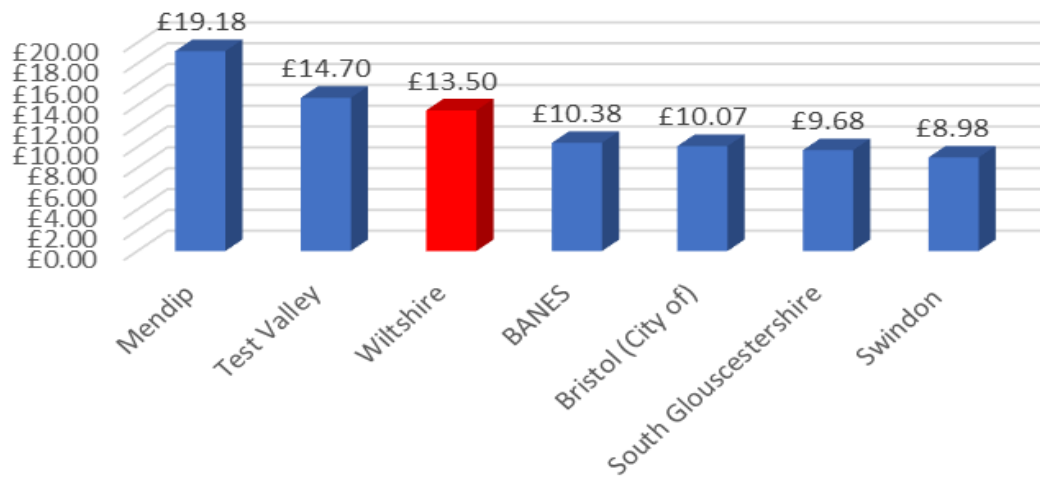
The following graphs show comparisons of journey costs between Wiltshire and its neighbouring authorities. The red column shows the cost in Wiltshire.



Cost of a 3 mile Journey at 10:30pm with No Waiting - Standard Vehicle



Cost of a 3 mile Journey at 2am with No Waiting - Standard Vehicle



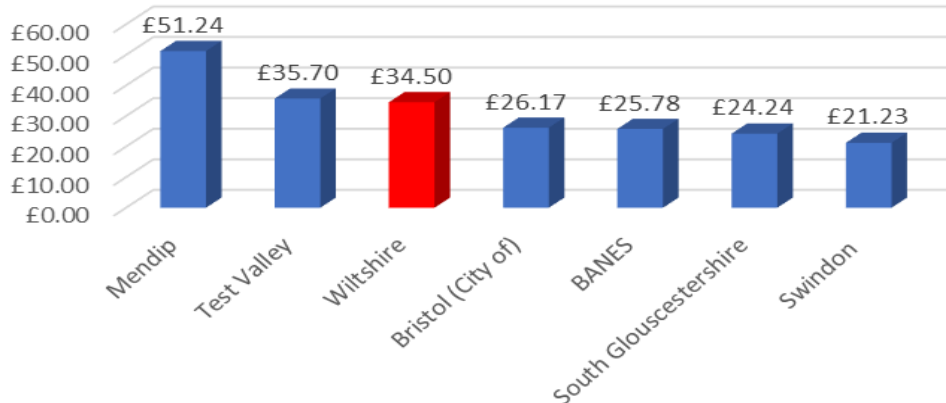
Cost of a 10 Mile Journey at Midday with No Waiting - Standard Vehicle



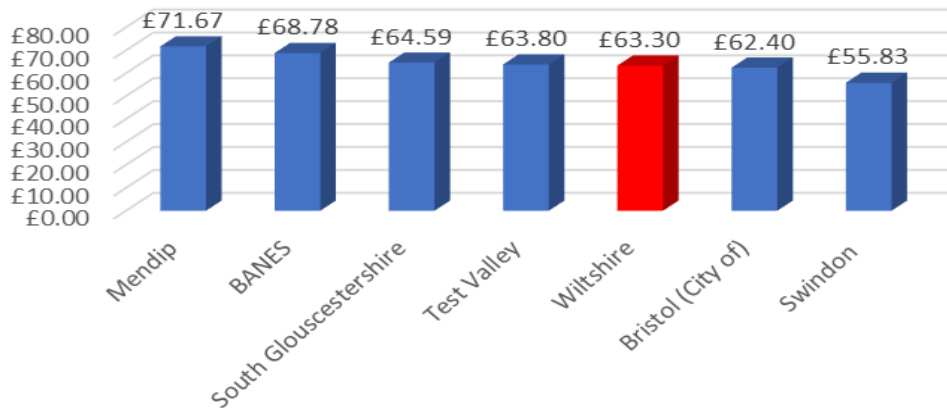
Cost of a 10 Mile Journey at 10.30pm with No Waiting in a Standard Vehicle



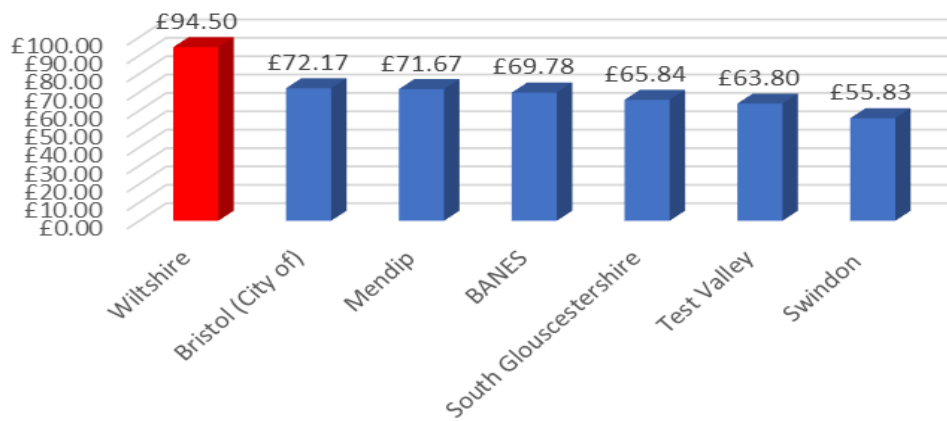
Cost of a 10 mile Journey at 2am with No Waiting in a Standard Vehicle



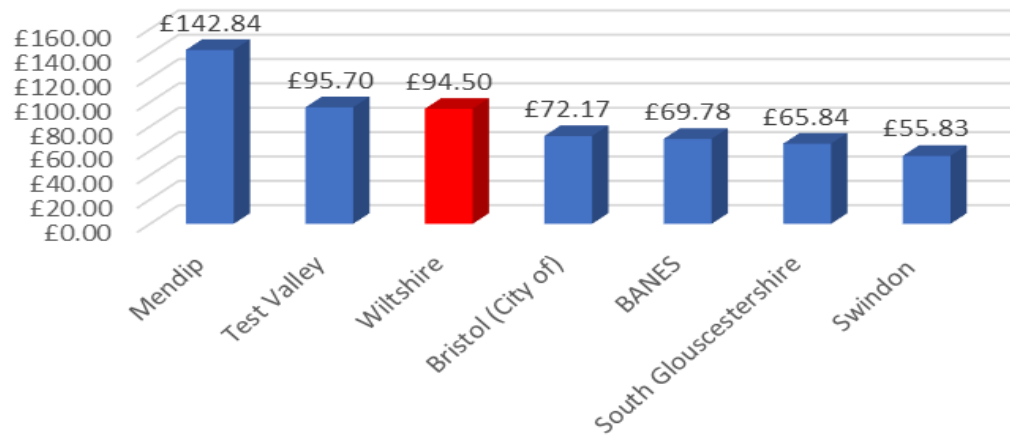
Cost of a 30 mile Journey at Midday with No Waiting in a Standard Vehicle



Cost of a 30 Mile Jourey at 10.30pm with No Waiting in a Standard Vehicle



Cost of a 30 mile Journey at 2am with No Waiting in a Standard Vehicle



- 2.5 The comparison shows that Wiltshire fares during the day time (tariff 1) compare with our neighbours and are at the middle level. This is due to the fact the flag rates in Wiltshire are only topped by Test Valley. The impact of this lessens the longer the journey becomes and the graphs show that for a 30 mile day time journey only two other authorities charge less. As the journey gets longer the mileage rate has more influence. The flag rate is the rate passengers pay for stepping into the vehicle. The recent change to allow drivers to charge tariff 2 earlier means a journey after 10pm in Wiltshire is more expensive than our neighbouring authorities.
- 2.6 The comparison shows that mileage rates after 10pm compare favourably against other local authorities but those in the daytime are approximately 2.5% below the average of £2.05 for the seven local authorities sampled at £2.00 per mile. 3 out the 7 Local Authorities had mileage rates at £2.00 per mile during the day, one was lower at £1.75 and the highest being £2.29 per mile.
- 2.7 It must be noted that all public feedback to date is that taxis are too expensive and that increasing fares may have a negative impact on driver income levels. There is a risk that by requesting a fare increase drivers' price themselves out of the market.

3.0 Relevance to the Council's Business Plan

- 3.1 The process of controlling and licensing hackney carriage and private hire licensees assists the council in achieving several the outcomes in the Business Plan 2017-2027. Adoption of an updated schedule of fees and charges would assist these outcomes by:
- **Growing the economy** – appropriate cost of hackney carriage journeys which may drive up the number of users in Wiltshire ensuring that the public utilise this transport means and access good and services throughout Wiltshire.
 - **Building strong communities** - That all members of the public feel safe, can afford the service, and are less inclined to walk home or put themselves at risk.
 - **Protecting those who are most vulnerable** - ensuring that the council has robust checks in place to ensure licensed vehicles are available at a cost-effective rate when required, any time of the day or night.

4.0 Main Considerations for the Council

- 4.1 Licensing authorities must ensure that any fees and tariffs schedule is sustainable for the industry and that service provision within the County is maintained. The Council has received feedback from the industry following the recent increase in fuel prices that some journeys and school contract work are not viable. This must be balanced against public feedback that taxis are too expensive to ensure an adequate taxi provision exists within Wiltshire.

- 4.2 The Council will consult with the trade on any proposal to increase fares and amend the current schedule of tariffs and fares. Any changes must be advertised for a minimum of two weeks in the local press at a cost of approximately £2,000 to the Council. Whilst it is noted that the council's income for the Hackney Carriages Licencing in 2021/ 22 was considerably below budget (circa £0.07m). The proposals are expected to mitigate further loses of income caused by taxi drivers leaving the industry, allowing the cost of advertising to be covered by retaining a greater number of taxi drivers.
- 4.3 Taxi Licensing believe an increase in cost will reduce the number of journeys undertaken by hackney carriage and in the long-term decrease income for operators/drivers. This view may not be shared by all drivers and operators who clearly believe they need a rise in the fare rates.
- 4.4 Covid-19 has significantly impacted the taxi industry with driver and vehicle numbers falling approximately 20%, in line with the national average. This has resulted in the Council's Passenger Transport Unit struggling to fulfil some of the SEND contracts.
- 4.5 A campaign to recruit more drivers to the industry commenced in April 2022 to assist PTU with the increased demand they anticipate throughout 2022. Any table of fares should be such that the career is viable for new and existing drivers and operators.
- 4.6 The Council has no legal obligation to review taxi fares. Research has shown that despite the recent fuel rises only Mendip and South Gloucestershire are planning to introduce a new tariff during 2022 . Where there is a request to review fares & tariffs from the industry, backed by evidence the Council will undertake a review, subject to approval from the Council's Licensing Committee.
- 4.7 The Council's Fleet Team have calculated that the Council's vehicles cost approximately 35p per mile to run. Taxis undertake more mileage so may require more maintenance however the cost of running the vehicles is considerably under the £2.00 per mile rate charged in the daytime and £3.00 per mile rate charged after 10pm. The taxi licensing team believe the issues the industry are facing to more to do with the level of activity and custom than the fares themselves.

5.0 Safeguarding Implications

- 5.1 When assessing tariffs and fee levels for all hackney carriages failure to have fees at an affordable level may lead to vulnerable people walking home after a night out and placing themselves at risk. Making taxi travel cheaper, will encourage more people to use taxis to get home safely whereas raising fares may discourage users from taking a taxi and placing themselves in a vulnerable position.

This must be balanced however against the industries costs as reducing fares to a level where it is not viable to run a taxi would lead to less service provision and greater safeguarding issues.

6.0 Public Health implications

- 6.1 An affordable, sustainable taxi service helps guard against the risk that residents, especially vulnerable people, are not safe out in Wiltshire at any time. If the service is affordable more people will use it.

7.0 Corporate Procurement implications

- 7.1 There are no direct procurement implications arising from this report.

8.0 Environmental and Climate Change Considerations

- 8.1 Increasing the cost of travel by taxi may discourage more people from utilising taxis. It is acknowledged that decreased taxi journeys may result in lower levels of carbon emissions, it is also hoped that where four people share a taxi this could potentially stop four independent car journeys and have a positive overall impact on the environment.

9.0 Equalities Impact of the Proposal

- 9.1 The impact of these proposals is assessed as 'medium' against the council's statutory responsibilities. The Council has benchmarked itself against neighboring authorities to formulate to proposal. The schedule of fees and tariffs ensures a fair and consistent approach across Wiltshire and bring Wiltshire in line with the cost levels in other local authority areas.

10.0 Risk Assessment

Risks officers consider may arise if the proposed decision is not taken:

- 10.1 Insufficient provision of taxis in Wiltshire due to drivers and operators deeming the industry unviable due to fare levels. This may result in a reduction in the number of drivers and vehicles, reducing service provision.
- 10.2 Drivers and operators leaving the industry mean Passenger Transport Unit are having difficulties in fulfilling some contracts for SEND customers. A campaign is underway to recruit more drivers into the industry.
- 10.3 There is a risk of negative press coverage because of drivers who want a fare increase and support from the Council. By taking a decision to leave the fares at current levels drivers and operators may see it as an attack on their livelihoods.

Risks that may arise if the proposed decision is taken and actions to mitigate these risks

- 10.4 There may be a greater risk of vulnerable people walking home late at night and potentially putting themselves in danger if fares are increased.
- 10.5 The overriding principle of licensing is the protection of members of the public. If the taxi service is deemed too expensive usage will drop. Wiltshire Council

would encourage people to use licensed drivers who have been properly vetted.

- 10.6 Lack of business due to perceived expense by the public may result in a reduction in the number of drivers and vehicles, reducing service provision.

11.0 Financial Implications

- 11.1 There are additional costs associated with the implementation of any new schedule of fees and charges should the Licensing Committee approve the Taxi Licensing teams recommendation. There is currently no budget to support the advertising costs outlined in point 4.2.

12.0 Legal Implications

- 12.1 The correct legal process must be followed for advertising and implementing any agreed changes. There are no other legal implications.

13.0 Options for consideration and approval

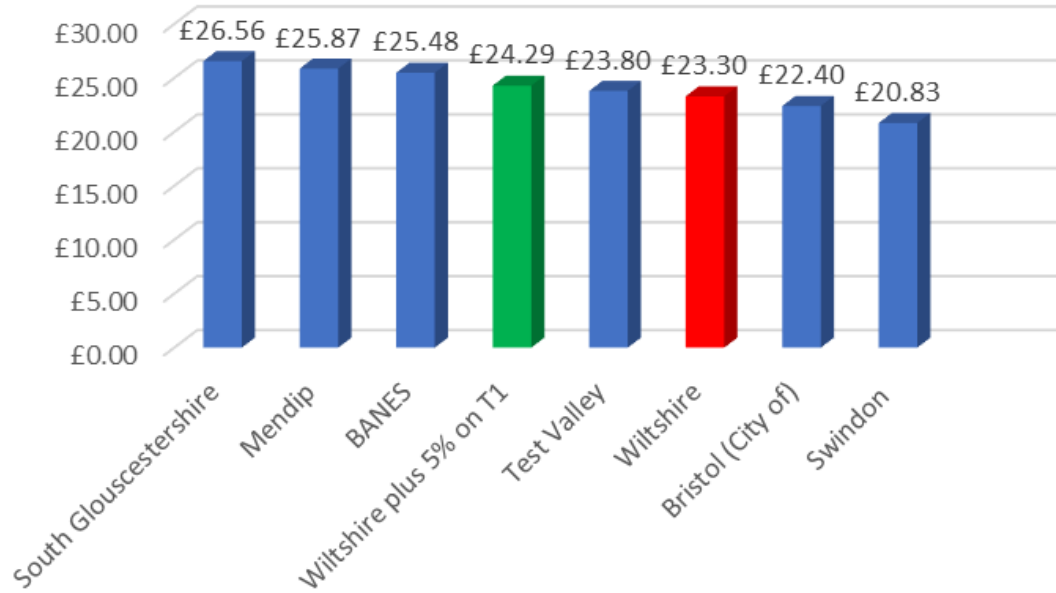
- 13.1 It is proposed that the Licensing Committee, considers and approves that after review the current fare level for tariff 1 be raised by 5%, to the equivalent of £2.10 per mile.
- 13.2 The Taxi Licensing team considered two options after benchmarking our fare levels against those of our nearest local authorities.
 - 13.2.1 No change to the existing table of fares and tariffs.
 - 13.2.2 An increase of 5% on the tariff 1 mileage rate to bring it in marginally above with the average of average daytime rate of £2.05 amongst the seven local authorities sampled to £2.10.

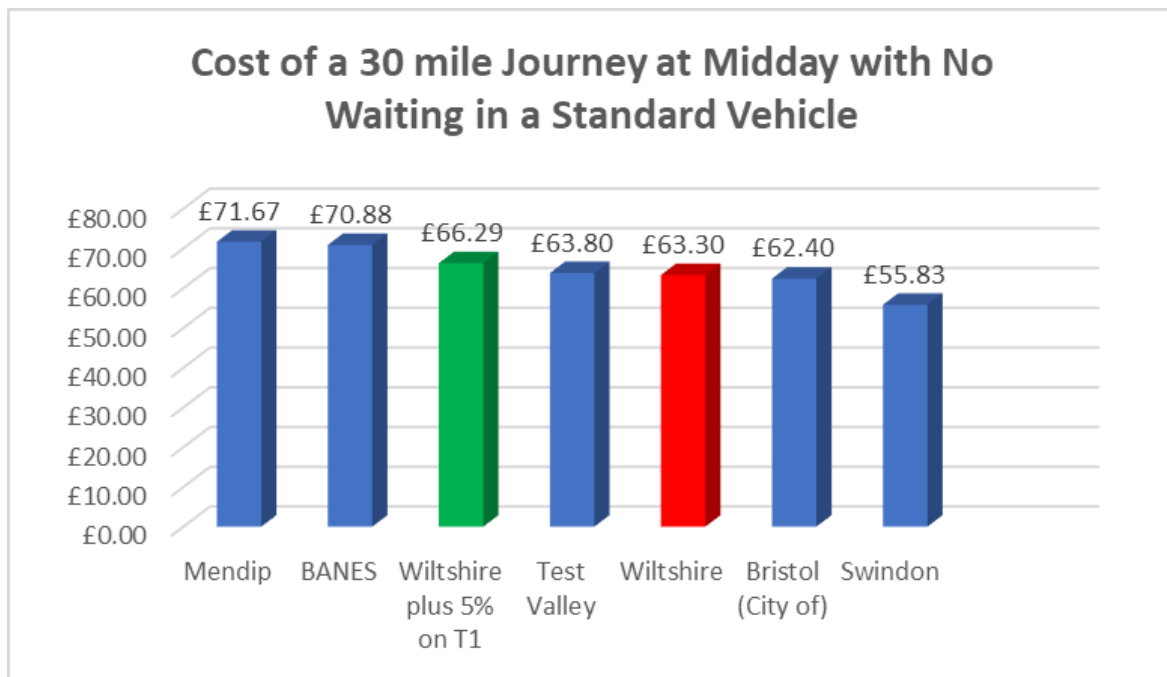
The graphs below show the impact on fare levels of adding 5% to tariff 1. It should be noted that tariff one can only be charged between 07:00 and 21:59 and is effectively the Council's day time rate. The red column shows the existing Wiltshire tariff 1 and the green column with the proposed 5% added.

Cost of a 3 mile Journey at Midday with No Waiting - Standard Vehicle



Cost of a 10 Mile Journey at Midday with No Waiting - Standard Vehicle





14.0 Conclusions

- 14.1 To ensure the taxi service remains sustainable to both residents of Wiltshire and the industry it is proposed to increase tariff 1 fare levels by 5%. This is below the current rate of inflation but provides drivers and operators with a fee increase and also ensures that Wiltshire is not more expensive than its neighbours. Public feedback has indicated that taxis are too expensive. The benchmarking exercise has shown that taxi fares in Wiltshire are comparable to our local authority neighbours and that drivers and operators are not unfairly penalised.
- 14.2 Lower journey costs may drive up usage of the service benefitting drivers and operators in the long term. Increasing the fares may reduce the number of journeys undertaken reducing the driver's income over the medium to long term however it should be noted that the table of fares and tariffs is the maximum a driver can charge. A business decision can be made by the driver to accept lower fares to secure additional business.

15.0 Recommendation:

- 15.1 That the Licensing Committee ratifies the Taxi Licensing team decision to increase tariff 1 fares by 5% for Hackney Carriages.

Peter Binley
Interim Director, Highways & Environment

Report Author: Tom Ince, Principal Compliance Officer

Tom.ince@wiltshire.gov.uk

Tel: 01380 826334

May 2022

Appendix A : Taxi Fare Benchmarking data