

Briefing Note for Licensing Committee 17 October 2022

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REVIEW OF CONSULTATION FEEDBACK ON THE COUNCIL'S PROPOSAL TO INCREASE TARIFF 1 BY 10% FOR HACKNEY CARRIAGES

1.0 Purpose

1.1 The purpose of this Briefing Note is to brief the Licensing Committee on the feedback resulting from the consultation undertaken on the proposal to increase Tariff 1 by 10% for Hackney Carriages in Wiltshire following significant fuel prices rises during 2022. This Briefing Note also details a proposed recommendation to be actioned following the consultation. Licensing Committee granted Taxi Licensing with the authority to implement a 10% increase at the 20 June 2022 Committee meeting; however, any rise greater than 10% must be referred back to the Licensing Committee for approval.

2.0 Background

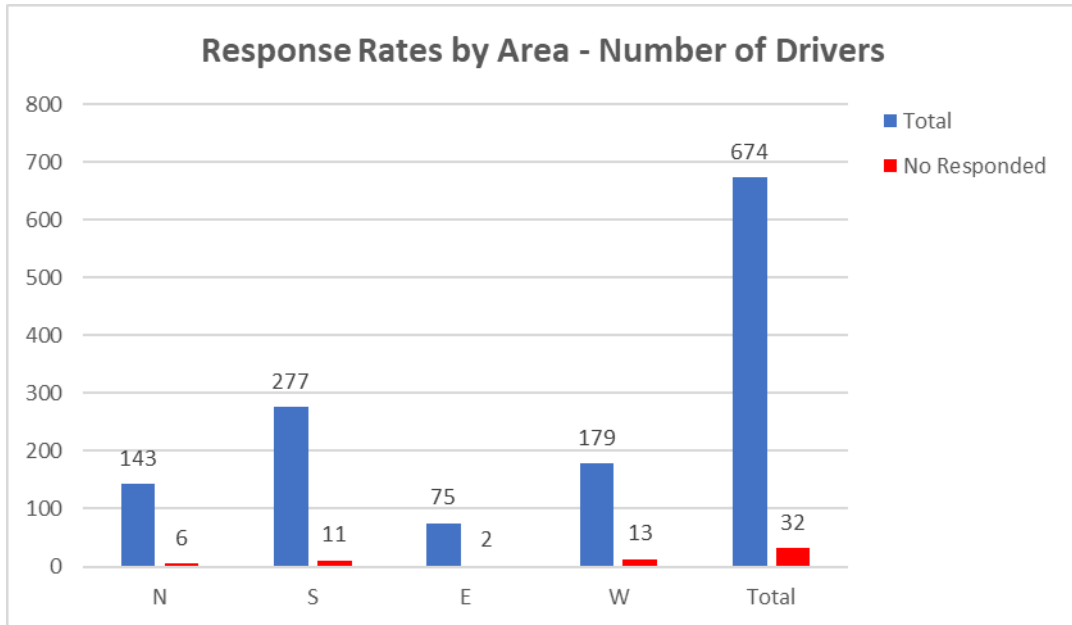
- 2.1 It was agreed at a meeting of the Licensing Committee on 20 June 2022 that the Taxi Licensing Team would undertake a consultation with the industry on proposals to increase the Tariff 1 mileage fare by 10% for hackney carriages in the Wiltshire Council area.
- 2.2 The proposals would address the issues created by the significant fuel price increases absorbed by the industry during 2022 and the overall rising costs of vehicle parts and maintenance.
- 2.3 The fares have not risen significantly since 2015. Following this consultation Taxi Licensing will implement an annual review of taxi fare levels with the next review of fares being conducted during Quarter 1 in 2023. Any agreed changes of fares will be implemented on 01 April 2023 and on 01 April in subsequent years. The increase proposed under this proposal is separate from the annual review process.

3.0 Consultation Feedback

3.1 The level of feedback was very low despite drivers and vehicle owners being emailed directly. A total of 32 responses were received from 674 hackney carriage drivers via the questionnaire sent directly to licence holders which is considered to be very low.

3.2 Of the 32 responses, 53% supported the proposal for a 10% increase to Tariff 1 whilst 41% were against, 6% put forward no opinion, only feedback. It should be noted that 32 responses represent 5% of all hackney carriage drivers and the percentage supporting falls to 2.5% and against as 1.9% when compared to overall hackney carriage driver numbers.

3.3 The graph below highlights the low level of responses which make it difficult to draw accurate conclusions:



3.4 Of the 32 driver responses, 17 (53%) were in favour and 13 (41%) against with 2 (6%) providing no opinion. The split of drivers from each area is shown below along with the overall % of 'for and against' responses:

Drivers	North	South	East	West	Overall
	6	11	2	13	32
Yes	1	8	0	7	16
No	5	2	2	5	14
Yes	17%	73%	0%	54%	50%
No	83%	18%	100%	38%	44%
Overall HC drivers as of end June 22					
	N	S	E	W	Total
Total	143	277	75	179	674
No Responded	6	11	2	13	32
Response rate	4%	4%	3%	7%	5%

- 3.5 It is difficult to draw conclusions from the above results. It should be noted, as advised above, that response rates were very low with only 2.5% of all hackney carriage drivers supporting the proposals and 1.9% against them.
- 3.6 Responses received represented 123 vehicles, 23% of hackney carriage vehicles. It should be noted that the two large operators who responded represented 96 vehicles or 78% of those vehicles represented or 18% of overall vehicles.
- 3.7 Of the vehicles represented by responses, 89% were in favour and 11% were against the proposal when compared to total hackney carriage vehicles, as shown below.

HC vehicles by Area 30 June 22					
	N	S	E	W	Overall
	106	221	68	136	531
Vehicles Represented	8	66	6	43	
Yes	7	64	0	38	109
No	1	2	6	5	14
	8	66	6	43	123
Response rate	8%	30%	9%	32%	23%
Yes	7%	29%	0%	28%	21%
No	1%	1%	9%	4%	3%

- 3.8 The reasons for not supporting the proposal can be placed into six broad categories. The list below highlights the number of times they were raised:
- Would like to see a bigger increase – numbers quoted varied between 15-100% (4)
 - Increasing Tariffs will result in customers not using taxis (3)
 - Reduce the cost of licences rather than increase fares to help customer (3)
 - Increase school contract prices (2)
 - Only just paid to change meter - will the Council cover the cost this time (2)
 - We should be deflating prices to encourage customers to ditch cars and use taxis (1)
- 3.9 For those supporting the proposal the most popular comments were:
- Tariff 2 should also increase (5)
 - School contract prices should also increase (3)
 - Would like to see a bigger increase (2)
 - Only just paid to change meter - will the Council cover the cost this time (2)
 - Taxis should be supported with grants like buses (2)
- 3.10 The Council also asked for ideas on how it could support the industry through the current economic difficulties. Ideas suggested were:
- Remove the tinted window restriction for vehicles – all factory fitted vehicles now have tinted windows. It costs £2000 to change them.
 - Reduce Licensing Fees.
 - Allow older vehicles to be licensed.
 - Ensure there is an annual fare review.
 - Increase school contract prices to a level where they allow us to recover costs.
 - Introduce a £50, 1-year starter licence to encourage drivers into the trade.

3.11 We had only one objection following advertising the 10% increase in Tariff 1 for Taxis. The implementation was deferred whilst this objection was considered.

3.12 The table below details the objection received and officer comments:

Objection Received	Officer Comments
There was a rise in taxi fares implemented in January this year.	This was only 20p on the flag rate, there has been no increase of the mileage rate since 2015.
Council Contracts were raised by 3.75% in May.	PTU contracts are separate, not all drivers undertake them.
Reports to the Licencing Committee (20 June 22) stated "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." and that was when initially considering only a 5% rise.	The Licencing Committee requested we consult on 10% following representation from the trade at the meeting.
Reports to the Licencing Committee (20 June 2022) repeated "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.	All drivers are properly vetted.
To the Licencing Committee (20 June 2022) "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."	Half of drivers want the rise and half do not – any rise would be the maximum fare; they do not have to charge it.
10% on a specific tariff is an arbitrary figure and reflects nothing of the cost to the industry.	No, it is based on the fare levels of neighbouring authorities.
Inflation is expected to be embedded at least in the medium term, so will the Council be reviewing in October when Gas bills rise, and March when another huge rise comes in.	The Council has committed to an annual review of fares in Q4 Jan – Mar.
The customer is also suffering a "cost of living crisis" and an increase will only add to their financial pressure	We must have a taxi service that is viable for the industry.

Tariff 1 customers, where this rise is targeted, are those who potentially are the least able to afford the rise. Daytime customers are predominantly older customers and low-income families. Other tariffs are targeted at those with disposable income where a taxi is deemed a luxury and not a necessity.	We must have a taxi service that is viable for the industry if we are to support those traveling.
Business should look at all areas of cost saving, changing working practices etc. before going to the customer for an increase.	Without an increase since 2015, the inflationary costs mean fares must be considered to ensure we must have a taxi service that is viable for the industry
The Council has recently, by its actions, acknowledged that there is a problem in the industry with illegal practices of overcharging. They should not be rewarded with a rise.	No, we have not acknowledged an issue and have provided advice on what can be charged.
There is a 20% reduction in taxi drivers since Covid - I would posit that many of these were because financial help was not available to them due to working cash in hand and so not existing with HMRC. Whilst this is being addressed by a legal requirement to provide HMRC details (also acknowledging the problem) when applying for a badge, this has already flushed out some existing drivers who have 'had to register' before renewing!!	This is an opinion.
The Council is aware of Companies that were "paid up" for Contracts during Covid to support the industry, but this was not passed on to the drivers. Again, malpractice within the industry.	PTU consideration.
Hackney Carriage drivers can go fully private hire with no meter and charge "what they like ", in agreement with the customer.	PH cannot pick up from ranks or the street so limit the extent of their trade.
PTU itself does not wish to pay the full meter fare and will pay the lowest price as THEY feel that offers value for money to the taxpayer.	PTU should achieve best value for the Council as the work is guaranteed.
The industry is NOT calling for this. Of the over 670 hackney carriage drivers, only 32 responded to the consultation (4.77%) Only 16 accepted the proposal or 2.38 % of the industry. 12 voted against and 4 did not offer an opinion. In reality 92.95% of the industry offered no opinion.	This could be interpreted in a number of ways. Ultimately Licensing Committee felt the industry fare rates should rise for Tariff 1.
If the aim is to support the industry, then the Council can look at fee structures and implementation.	That is what the Council has conducted.
There is no option in the public announcement to contact by email. The process of writing a letter adds a barrier	The requirements are set out by law.

to the public airing an objection.	
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4.0 Conclusion

- 4.1 Given the low response rates, 5% of hackney carriage drivers and 23% of vehicles represented, it is very hard to draw conclusions from the consultation.
- 4.2 Feedback indicates that larger operators do support the proposals, but there is concern amongst some drivers that increasing prices will drive customers away and result in lower levels of business.
- 4.3 Drivers were fairly evenly split, with 53% of respondents supporting the proposal, 41% against and 6% providing no opinion. However, in the context of overall drivers, 2.5% supported the proposal and 1.9% were against it.
- 4.4 The most commented issues appear to be that the increase should be larger, that Tariff 2 should also be included and that school contracts fees should be raised to allow drivers to cover cost.
- 4.5 Tariff 2 was not included as the teams benchmarking exercise as this indicated it was in line with other authorities. The proposed 10% rise is based on the results of our benchmarking exercise. The Council also has to consider the public and set fare levels at a rate which allows the industry to grow but is also affordable for the public.
- 4.6 A number of respondents cited the fact that meters had only just been updated in January 2022 and requested the Council cover the cost of any meter upgrade if the proposed change is implemented. Each meter costs £35 to update and with 539 hackney carriage vehicles currently licensed the cost to the Council would be £18,865. This would be an unbudgeted spend and therefore this option is not possible for the Council.
- 4.7 The implementation of the 10% increase in tariff for taxis was deferred to consider a comment received following the advertising of the increase notice, this has now been completed.

5.0 Proposal

- 5.1 The low level of responses indicated that drivers were not overly concerned about the proposal. It is with this in mind, and in view of the fact that the fares have not increased significantly since 2015, the decision is to implement the proposed 10% increase to tariff 1 only.
- 5.2 This proposal is approved by the Head of Service - Highways Operations and the relevant Director/Member and will look to be implemented over the next two months.
- 5.3 A communication will also be prepared for the taxi industry to advise of the changes and the proposed timetable for implementation.
- 5.4 The Licensing Committee also requested the consultation to ask the trade how the Council can support it with its costs. Several ideas were put forward which have resulted in the following work projects to be undertaken by Taxi Licensing:
 - Undertake a benchmarking exercise regarding tinted windows in taxis – what do other authorities do? The Council must not lose sight of why our policy is in place which is to promote public safety.

- Ensure an annual review of fares is conducted between January and March each year with any changes implemented as of 01 April each year.
- Undertake a benchmarking exercise to evaluate our current fee levels.
- Review the viability of implementing a one-year starter licence.

Any changes to existing policies following the above work will be subject to approval by the Council's Licensing Committee and a relevant report will be produced for review.

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