



Report to Leader (Housing, Homelessness and Regulatory Services portfolio)

Decision Date:	17 August 2021
Reference Number:	HR02.21
Title:	Final proposed Hackney Carriage Fares following consultation
Relevant Cabinet Member(s):	Cllr Nick Naylor
Author and/or contact officer:	Caroline Steven/Lindsey Vallis
Ward(s) affected:	All
Recommendations:	To approve the proposed hackney carriage fares set out at Appendix 1, to become effective from 6th September 2021
Reason for decision:	To provide a single tariff of fares for hackney carriages across the Buckinghamshire Council area from the 6th September 2021, facilitating the implementation of the Taxi and Private Hire Licensing Policy approved by Full Council on the 24th February 2021.

1. Executive summary

- 1.1 This report provides an update on the decision to approve the proposed tariffs for statutory advertising. A full consultation process has now been carried out and details of the responses are set out within the report. A summary of the comments received is also attached at Appendix 2. It is not proposed that any amendments are made to the previously proposed tariffs as a result of the consultation.

2. Content of report

- 2.1 As a result of the removal of the legacy boundaries on the 6th September 2021 in relation to hackney carriage and private hire licensing, it is necessary to produce and implement a new single set of tariffs of hackney carriage fares to replace the different tariffs currently being charged in the legacy areas. These are the maximum prices that drivers can charge passengers when plying for hire in the Council area or carrying out pre-booked journeys. The only exception to this is where a journey ends outside of the Council area and the driver has agreed a price with the passenger(s) before the journey commences. Drivers can charge less than the maximum set fares at any time.
- 2.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives local authorities the power to fix maximum fares or rates for taxis for both time and distance travelled. Local authorities can also set charges for any additional matters such as the collection of passengers away from a taxi rank or the soiling of a vehicle.
- 2.3 Although it isn't a statutory requirement, it is considered to be best practice to set taxi fares to ensure consistency, fairness and transparency for passengers and drivers.
- 2.4 The relevant legislation sets out the process and requirements for the fixing of fares, which includes the requirement for advertising and a statutory 14-day consultation period. This consultation period has now taken place further to adverts being placed in newspapers covering the whole council area.

Consultation responses

- 2.5 The consultation period took place between the 14th and 30th July 2021 with adverts placed in four newspapers covering the Council area. In addition, individual notifications were sent to each hackney carriage vehicle licence holder by email.
- 2.6 Thirteen responses were received in total, from drivers from the Aylesbury, Wycombe and Chiltern areas along with a response from an Aylesbury trade representative. One of the responses received from an Aylesbury-based driver also contained a petition purportedly from 13 passengers who object to any increase in the fares.
- 2.7 Prior to the start of the consultation period, a message was also received via the Aylesbury area taxi incident reporting form on the 9th July from a passenger stating that she had seen the proposed new fares and was not able to pay more for taxi journeys than currently charged.
- 2.8 A summary of the responses is attached at Appendix 2. The issues that have been raised within the consultation responses were all previously raised during early pre-engagement consultation and discussed with the hackney carriage trade. At that

point changes were made ahead of the setting the proposed fees where it was possible and reasonable to do so.

- 2.9 The responses can be firmly grouped by area. The Aylesbury town centre drivers remain concerned that they will effectively be priced out of the market by the local private hire trade and this concern is raised in all of the five responses received from the Aylesbury trade members.
- 2.10 This issue was raised during pre-consultation and it was confirmed to the Aylesbury trade representative that any driver could choose to continue to charge their current rates so long as both tariff cards are displayed within the vehicle and the tariff to be charged is made clear to passengers before the commencement of any journey. As a result, it is not considered that the proposed increase to the fares would cause any prejudice to drivers who wish to charge lower rates.
- 2.11 The Wycombe area drivers remain unhappy about the proposal to remove the 40 pence surcharge for journeys commencing at High Wycombe railway station and this issue was raised in four of the five comments received from Wycombe drivers.
- 2.12 Enquiries have been made with colleagues in Property and Assets as to the feasibility of creating a new rank on the recently acquired land around the Brunel Engine Shed at the station, although it has been confirmed that there is currently no area within this proposed development that could be used as a taxi rank. The department has given assurances, however, to keep this situation under review as part of the wider regeneration of this area, although it has also been confirmed that it is unlikely that a new rank will be able to be provided in that area in the foreseeable future.
- 2.13 Chiltern Railways have been contacted to discuss the possibility of negotiating a lower permit price for the trade. This is ongoing and no assurances have been provided in this respect.
- 2.14 It remains the view of officers that the purchase of permits to work from this rank is largely commercial and, given that these permits remain in high demand, it is considered to be an individual decision for drivers to take as to whether they apply for a permit on a cost/benefit basis.
- 2.15 Drivers are required to pay for permits at other stations within the Council area (Aylesbury Parkway and TfL controlled stations in the South Bucks area) and there is no additional charge made to passengers for this. It is considered that it is in the interests of fairness and consistency to both drivers and passengers that the forty pence surcharge for High Wycombe station is removed.
- 2.16 A further comment received from a Wycombe driver raised concerns over the incremental distances resulting in a possible loss of income although it has previously been clarified that there will be no reduction in income in this respect at any distance for any of the proposed three tariffs.

- 2.17 This driver also requested that the initial “flag” price be increased from the proposed £3.00 (currently £2.40 in Wycombe) to £5. This is not considered to be reasonable given the favourable local and national comparisons with the proposed tariffs. It would also result in an excessive price increase for short journeys which would negatively impact passengers.
- 2.18 One comment from a Wycombe driver also requested the retention of Tariff 4, which is on the current Wycombe tariffs and which relates only to journeys taking place on Christmas Day. It is considered that a less complex tariff card is preferable for both passengers and drivers and that the proposed tariffs have been calculated so that drivers throughout the Council area receive an increase generally and also on bank holidays.
- 2.19 Three responses were received from Chiltern area drivers, all of which raise concerns about the incremental distances and possible loss of income as a result. This issue is covered earlier in the report and it has been confirmed that no drivers will suffer a reduction of income as a result of the difference in incremental distances. The calculation of these distances is a technical matter and needs to be considered in conjunction with the incremental charges. These calculations enable tariffs to be programmed into vehicle meters and, taken in isolation, distances do not affect drivers’ earning potential.
- 2.20 One of the responses from a Chiltern driver also commented that the rise wasn’t sufficiently high given the number of years since the last increase in the Chiltern area. The tariffs in the Chiltern area were last increased in 2014. A review was carried out in 2016 and it was decided that no increase should be made.
- 2.21 A further review was carried out in 2019 and an increase was proposed further to a request from the hackney carriage trade, although the statutory consultation process was not subsequently carried out due to the unitary decision.
- 2.22 The suggested increase at this time was significantly higher than the current proposal with a proposed charge of £6.50 for a two-mile journey on Tariff 1 (deemed to be the accepted tariff benchmark) as opposed to the national average of £6 or the current local average of £5.93. The proposed new charge for this distance is £5.94.
- 2.23 It is suggested that the public would have been unlikely to support this level of increase should the consultation process have taken place.
- 2.24 It is not considered appropriate that the proposed tariffs should be increased further given that they have been benchmarked both locally and nationally and compare favourably in both respects, as referred to above. It is considered that any further increase at this stage would impact negatively on passengers and cause drivers to be unable to compete effectively with local private hire trades, thereby risking being priced out of the market.

- 2.25 This driver also commented that the soiling charge should remain at £100 which is the current charge in the Chiltern area, compared with £50 as proposed.
- 2.26 Although no statistics are available to confirm the frequency that drivers suffer incidents of this nature, anecdotally it is a reasonably rare occurrence and drivers are generally not successful in obtaining any additional payment from the passenger when their vehicle has been soiled. It is accepted that the cost of a full vehicle valet is likely to be greater than £50, although it is also considered that this would not be required in most instances and that passengers would be more likely to be willing to pay the lower proposed charge.
- 2.27 Full copies of the comments are available on request.

3. Other options considered

- 3.1 The proposed tariffs are considered to be fair and reasonable insofar as they compare favourably nationally and locally and will deliver an affordable transport option for passengers whilst providing all drivers with an increase in pay.
- 3.2 It remains clear from the consultation responses that the concerns raised across the Council area differ greatly dependent on the current legacy area position and that achieving a solution that all of the hackney carriage trade are likely to be satisfied with is not possible.
- 3.3 From the 6th September 2021 the Council will operate a single hackney carriage zone for the Buckinghamshire area and it is important that a single set of tariffs is in place at this point. Failure to do so would result in inconsistency and confusion for both passengers and drivers and would be contrary to best practice guidance.

4. Legal and financial implications

- 4.1 Financial implications – apart from officer time taken to produce the draft tariffs, consult with the trade and prepare reports, the only financial implications relate to the statutory requirement to advertise the new fares in newspapers which cover the entire council area. The cost of advertising was £4459 which was covered from within the Service budget.
- 4.2 Legal implications – local authorities have the power under section 65 Local Government (Miscellaneous Provisions) Act 1976 to set maximum fares for hackney carriage vehicles. Unlike private hire vehicles, Hackney carriages can be hailed on the street or operate from ranks and there is no need for a pre-booking to be made or for a quote to be provided on request.

Drivers are not permitted to charge more than the metered fare, apart from in certain exceptional circumstances. The fixing of maximum fares is considered to be best practice and allows certainty and fairness for both driver and passengers and

reduces the risk of disagreements. There is no similar power to set fares for private hire vehicles which must be pre-booked.

5. Corporate implications

- 5.1 By providing a safe, affordable and accessible transport option, the setting of maximum fares contributes towards the Council's key priorities in relation to both strengthening communities and protecting the vulnerable
- a) Property – there are no property impacts
 - b) HR – there are no HR impacts
 - c) Climate change- measures to encourage the use of low emission vehicles have been addressed in the new Hackney Carriage and Private Hire Policy. It is hoped that the removal of the hackney carriage zones will also result in a reduction of wasted taxi journeys.
 - d) Sustainability - the provision of public transport reduces the need for car ownership. A policy that promotes fairly and consistently priced transport options is more likely to be desirable to passengers and further reduce the need for vehicle ownership.
 - e) Equality – a full equalities impact assessment has been carried out in relation to the new Hackney Carriage and Private Hire Licensing Policy which was provided to the Licensing (Regulatory) Committee in February this year for consideration. It is not considered that any additional work is required in this respect regarding the approval of a new set of taxi fares. Any fares set will treat all passengers and drivers fairly and equally.
 - f) Data – there are no impacts on data protection
 - g) Value for money – the proposed new fares are set at a level to provide an affordable transport option and value for money for passengers whilst also ensuring that drivers receive an appropriate income which is consistent across the Buckinghamshire area

6. Local councillors & community boards consultation & views

- 6.1 A comprehensive consultation process was undertaken prior to the approval of the Taxi and Private Hire Licensing Policy which was publicised to all local councillors and community boards. This feedback was presented to the Licensing Committee prior to the recommendation to Council to approve the Policy.
- 6.2 No comments were received from councillors as part of this consultation.

7. Communication, engagement & further consultation

- 7.1 Full statutory consultation and pre-consultation has taken place with the hackney carriage trade, with all licence holders being contacted and their views requested. Passengers have also been consulted via the statutory newspaper adverts. Details of the consultation responses are provided above within this report.

8. Next steps and review

- 8.1 If the proposed tariffs are approved, they will become effective from the implementation of the new Taxi and Private Hire Licensing Policy on the 6th September 2021.
- 8.2 The impact of the new tariffs both on drivers and passengers would then be kept under review during the next 12 months with a formal review taking place annually in line with the procedure set out in the previous report on this issue, using RPI and CPI figures along with local and national benchmarking.

9. Background papers

- 9.1 Department for Transport Best Practice Guidance (2010)

<https://www.gov.uk/government/publications/taxi-and-private-hire-vehicle-licensing-best-practice-guidance>

Competition and Markets Authority with reference to Office for Fair Trading Market Study in 2003

<https://www.gov.uk/government/publications/private-hire-and-hackney-carriage-licensing-open-letter-to-local-authorities/regulation-of-taxis-and-private-hire-vehicles-understanding-the-impact-on-competition>

10. Your questions and views (for key decisions)

- 10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report.