# EXECUTIVE HEAD OF 

 AUDIT AND STANDARDS OPERATIONS COMMITTEE
## PROPOSED VARIATION TO THE SCHEME OF HACKNEY CARRIAGE FARES

## SUMMARY AND RECOMMENDATIONS

This report sets out a proposal to vary the current scheme of hackney carriage fares (last modified 01.05.22). The proposal is currently open to public consultation.

As a consultee, The Corporate Governance, Audit and Standards Committee is requested to -

1) consider the fare scheme proposal;
2) provide any comments in response to the consultation;

### 1.0 INTRODUCTION

1.1 Following a request from a member of the taxi trade, and in accordance with the scheme of delegation, the portfolio holder for Operational Services has determined that the proposed fare scheme given at appendix A, be subject to public consultation. For reference, the current scheme is given at appendix B.
1.2 Where following public consultation, there are any objections to the proposals, they must be brought back to the Portfolio Holder for consideration. Otherwise, the proposed scheme takes effect on expiry of any date specified in the consultation notice.

### 2.0 BACKGROUND

2.1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA76) gives the Council the power - not a duty (i.e. a discretionary ability), to fix the rates or fares in connection with the hire of a hackney carriage vehicle within its district by means of a scheme of fares. Historically, the Council has always established and set a scheme of fares and this has largely been subject to review in accordance with its taxi licensing policy.

### 2.2. Policy and procedure

2.3. The Council's Taxi Licensing Policy (see appendix C) states that the scheme of hackney carriage fares be subject to review a minimum of every 2 years,
and the fare scheme may be reviewed at any time where it is deemed appropriate. This review is prior to the 2 -year deadline and has been instigated on request from a member of the taxi trade.
2.4. Given its role and responsibilities in other areas of taxi licensing work, the views of the Corporate, Governance Audit and Standards Committee are sought during the consultation period.

### 3.0 DETAILS OF THE PROPOSAL(S)

### 3.1. Proposed variation(s)

3.2. The proposal is to vary the scheme by means of a reduction to the initial pulloff and running mile distances.

### 4.0 IMPLICATIONS OF THE PROPOSALS

### 4.1. Proposed fare changes

4.2. The taxi fare implications inherent to the proposal can best be seen by comparing it against the current scheme of fares. These are outlined with additional commentary below.

### 4.3. Comparison of benchmark taxi journeys

4.4. The tables given at appendix $\mathbf{D}$ provide for a fare cost comparison of journeys at each mile mark (up to 15 miles) for both the current and proposed scheme. The tables given at appendix E similarly provide for a cost comparison of a number of local journey examples at different times of the day.

### 4.5. League table of taxi fares

4.6. Private Hire \& Taxi Monthly magazine produce a national league table of all Hackney Carriage fares, based on a 2 -mile journey at meter rate 1. The current league table (October 2023) is given at appendix F. Currently Rushmoor are placed at 84 with the fare being the same as those councils ranked between 78 and 89.
4.7. The proposed scheme, assuming no changes for others would move Rushmoor to the same as those authorities ranked $30-39$ in the league table, one of which is Hart District Council, one of Rushmoor's neighbouring authorities.
4.8. In respect of other neighbouring authorities Guildford Borough Council is ranked number 4, Woking Council with those at 12 and 13 and Surrey Heath, Waverley and Bracknell Councils with those between 61 and 69.

### 4.9. Commentary on proposal

4.10. Whilst it varies dependent on the distance travelled and the meter rate that applies, on average the proposals would result in an increase of $4-5 \%$.

### 5.0 OTHER RELEVANT CONSIDERATIONS

### 5.1. Legal Implications

5.2. By virtue of Section 65(2) LGMPA76 any revision to the scheme of fares must be published in a local newspaper and in a notice at the Council offices by way of public consultation on the proposals. In accordance with the Council's procedure the views of the Corporate, Governance and Audit Standards Committee are sought during any consultation period and fed back to the decision maker as may be appropriate. The last date for comments in respect of the consultation is $8^{\text {th }}$ December 2023.
5.3. Sections 65(3) and 65(4) LGMP76 also provide that where following consultation, there are any objections to the proposals, these must be brought back to the decision maker for consideration. Otherwise, the proposed scheme will take effect on $1^{\text {st }}$ January 2024.

### 5.4. Financial and Resource Implications

5.5. There are no direct financial implications associated with this report.

### 5.6. Equalities Impact Implications

5.7. Once established, a scheme of fares must be applied to journeys undertaken within the Borough. The scheme may also be and is often applied voluntarily for journeys going outside the borough. However, fares for out of borough journeys may be negotiated with the fare paying customer in advance. A scheme of fares as regulated by taximeter therefore provides for a consistent method of calculating a fare for any journey between point $A$ to $B$. It is considered that this does not discriminate between those with protected characteristics.
5.8. However, while subject to minor ancillary income streams (e.g. vehicle advertisements), taxi fares are the main means by which drivers can recoup the costs of providing a taxi service and effecting an income / living. Conversely, fares must be reasonable and affordable for those that use and/or rely on such services. In essence then, there is a balance to be struck with reference to what is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service; particularly when it is needed (including at times involving anti-social hours). These and other relevant equality considerations are outlined at appendix G.

### 5.9. Community Safety Implications

5.10. The objectives of our Taxi Licensing regime are to enable good business whilst reasonably ensuring the safety and protection of both the travelling public and other road users, and the provision of a suitable and efficient public transportation service for all.
5.11. Taxi fares are the main means by which drivers can recoup the costs of providing a taxi service and effecting an income / living. In light of this, a fare
structure which fails to provide sufficient income may result in safety implications to the prospective passengers and other road users. If drivers are not earning sufficient income, they may not have the funds available to ensure suitable maintenance of their vehicle, thereby reducing the standards of the taxis in Rushmoor, and potentially putting themselves, their passengers and other road users at risk. In addition, if taxi driving does not provide a suitable means of income, when balanced with the costs of meeting the Council's licensing requirements, it is likely that less drivers will remain and/or join the taxi trade leading to a lack of availability of taxis when they are needed, meaning an increased wait potentially putting passengers at risk e.g. vulnerable passengers, those travelling late at night.

### 5.12. Useful Guidance

5.13. While there is limited guidance available to local authorities in setting taxi fares, an excerpt of the Department for Transport (DfT) best practice guidelines to licensing authorities is given at appendix H.
5.14. While the DfT best practice guidelines have no legal standing, the following points may be relevant; namely -
(a) It is good practice to review fare scales at regular intervals.
(b) Fare scales should be designed with a view to practicality.
(c) Authorities may wish to consider adopting a simple formula for deciding on fare revisions as this will increase understanding and improve the transparency of the process.
(d) In reviewing taxi fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed.
(e) There may be a case for higher fares at times of higher demand.
(f) Taxi fares are a maximum, and in principle are open to downward negotiation between passenger and driver.

### 6.0 CONCLUSIONS

6.1. In accordance with the Council's taxi licensing policy on request from members of the taxi trade, a proposed hackney carriage fare scheme has been developed for consideration and is recommended.
6.2. The proposal for variation is subject to public consultation and, in accordance with the council's processes includes Member consideration by virtue of the Corporate Governance Audit and Standards Committee.

## BACKGROUND DOCUMENTS: None

## CONTACT DETAILS:

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## APPENDICES:

Appendix ..... Title
Appendix A - Proposed scheme of fares
Appendix B - Current scheme of fares (effective $1^{\text {st }}$ May 2022)
Appendix C - Excerpt from the Council's taxi licensing policy
Appendix D - Comparison tables of fare charges at each mile mark (up to15 miles) for current \& proposed fare schemes
Appendix E - Local journey examples
Appendix F - Hackney Carriage Fare League Table
Appendix G - Relevant considerations in setting taxi fares
Appendix H - Excerpt of DfT Best Practice Guidelines

## PROPOSED SCHEME OF FARES

## HACKNEY CARRIAGE FARES <br> Proposed

Below is a table of fares made by Rushmoor Borough Council under S65 of the Local Government (Miscellaneous Provisions) Act 1976 and are the MAXIMUM fares that may be charged.
The fare charged must be in accordance with this table of fares unless a NEGOTIATED fare was otherwise agreed before the journey started. This applies even if the journey takes the taxi outside the Borough of Rushmoor.

Fare rates are based on a combination of time and distance and are automatically calculated by and must be displayed on the taximeter at all times.

## METER RATE 1 - Day time

Any hiring on a weekday between 07:00 and 17:59 (unless Rate 3 or 4 applies instead).

First 1034 yards or uncompleted part $\quad \mathbf{£ 3 . 6 0}$ Thereafter, for each subsequent (or part) 119 yards Waiting time (per 30 second period)

## METER RATE 2 - Evenings and weekends

Any hiring on any day between 18:00 and 22:59 (unless Rate 3 or 4 applies instead); or

Any hiring on a Saturday or Sunday, between 07:00 and 17:59 (unless Rate 4 applies instead).

First 1034 yards or uncompleted part
$£ 4.00$
Thereafter, for each subsequent (or part) 119 yards $\mathbf{£ 0 . 2 0}$
Waiting time (per 30 second period)

METER RATE 3 - Night time, bank holidays and Easter Sunday

Any hiring on any day between 23:00 and 06:59 (unless Rate 4 applies instead).

Any hiring on Easter Sunday, a bank or public holiday or New Year's Day (1st Jan) between 07:00 and 22:59 (unless Rate 4 applies instead).
$\begin{array}{ll}\text { First } 1034 \text { yards or uncompleted part } & £ 5.40 \\ \text { Thereafter, for each subsequent (or part) } 119 \text { yards } & \mathbf{£ 0 . 3 0}\end{array}$
Waiting time (per 30 second period)

METER RATE 4 - Christmas/New Year
Any hiring on Christmas Day (25 December) or Boxing Day ( 26 December) to 06:59 on 27 December;

Any hiring on Christmas Eve (24 December) or New Year's Eve (31 December) between 21:00 and 23:59; or Any hiring on New Year's Day (1 January) between 00:00 and 06:59.

First 1034 yards or uncompleted part
Thereafter, for each subsequent (or part) 119 yards £0.40 Waiting time (per 30 second period)
EXTRA CHARGES

For each additional passenger in excess of five passengers

Any hiring booked by telephone or radio, internet, email or APP (electronic communications)

Any hiring if the journey starts or finishes outside the Rushmoor boundary
$N B_{1}$ Passengers may be charged a maximum of five extras, up to a maximum of $£ 5.00$

## FOULING CHARGE

Any fouling to the interior of the cab making it unfit for further hiring (at the discretion of the driver).

COMPLAINTS AND COMMENTS - Where possible please quote the Cab / Driver Number
Please contact the Licensing Team at Rushmoor Borough Council, Council Offices, Farnborough Road, Farnborough, Hampshire, GU14 7 JU. Tel: 01252398399 • Email: licensing@rushmoor.gov.uk

## APPENDIX B

## CURRENT SCHEME OF FARES

(EFFECTIVE FROM $1^{\text {st }}$ MAY 2022)

## HACKNEY CARRIAGE FARES <br> Effective from 1 May 2022

Below is a table of fares made by Rushmoor Borough Council under S65 of the Local Government (Miscellaneous Provisions) Act 1976 and are the MAXIMUM fares that may be charged.
The fare charged must be in accordance with this table of fares unless a NEGOTIATED fare was otherwise agreed before the journey started. This applies even if the journey takes the taxi outside the Borough of Rushmoor.

Fare rates are based on a combination of time and distance and are automatically calculated by and must be displayed on the taximeter at all times.

## METER RATE 1 - Day time

Any hiring on a weekday between 07:00 and 17:59 (unless Rate 3 or 4 applies instead).

First 1088 yards or uncompleted part
Thereafter, for each subsequent (or part) 125.2 yards Waiting time (per 30 second period)

METER RATE 2 - Evenings and weekends
Any hiring on any day between 18:00 and 22:59 (unless Rate 3 or 4 applies instead); or Any hiring on a Saturday or Sunday, between 07:00 and 17:59 (unless Rate 4 applies instead).

First 1088 yards or uncompleted part
Thereafter, for each subsequent (or part) 125.2 yards Waiting time (per 30 second period)
$\varepsilon 0.20$

METER RATE 3 - Night time, bank holidays and Easter Sunday

Any hiring on any day between 23:00 and 06:59 (unless Rate 4 applies instead).

Any hiring on Easter Sunday, a bank or public holiday or New Year's Day (1st Jan) between 07:00 and 22:59 (unless Rate 4 applies instead).

First 1088 yards or uncompleted part
Thereafter, for each subsequent (or part) 125.2 yards Waiting time (per 30 second period)

## METER RATE 4 - Christmas/New Year

Any hiring on Christmas Day (25 December) or Boxing Day (26 December) to 06:59 on 27 December; Any hiring on Christmas Eve (24 December) or New Year's Eve (31 December) between 21:00 and 23:59; or Any hiring on New Year's Day (1 January) between 00:00 and 06:59.

| First 1088 yards or uncompleted part | $\mathbf{£ 7 . 2 0}$ |
| :--- | :--- |
| For each subsequent (or part) 125.2 yards | $\mathbf{£ 0 . 4 0}$ |
| Waiting time (per 30 second period) | $\mathbf{£ 0 . 4 0}$ |

## EXTRA CHARGES

For each additional passenger in excess of five passengers

Any hiring booked by telephone or radio, internet, email or APP (electronic communications)

Any hiring if the journey starts or finishes outside the Rushmoor boundary

NB: Passengers may be charged a maximum of five extras, up to a maximum of $\mathbf{£ 5 . 0 0}$

## FOULING CHARGE

Any fouling to the interior of the cab making it unfit for further hiring (at the discretion of the driver).

COMPLAINTS AND COMMENTS - Where possible please quote the Cab / Driver Number
Please contact the Licensing Team at Rushmoor Borough Council, Council Offices, Famborough Road, Famborough, Hampshire, GU14 7JJ. Tel: 01252398399 Email: licensing@rushmoor.gov.uk

# EXCERPT FROM THE COUNCIL'S TAXI LICENSING POLICY 

(taken from Part H, Section 8, pages 123-125)

## PART H

## 8. SCHEME OF HACKNEY CARRIAGE FARES

### 8.1. GENERAL ARRANGEMENTS

8.2.S65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that the licensing authority may set local hackney carriage fares for journeys within its area by means of a table or scheme of fares.
8.3. There is no similar power to set the fares charged by private hire vehicles. The charges levied by Private Hire operators and drivers are entirely a matter for negotiation and form a private contract between the hirer and the operator. However, where a private hire vehicle is fitted with a taximeter, the taximeter must be tested and approved by or on behalf of the licensing authority which issued the relevant vehicle licence.

### 8.4.Frequency of review

8.5.To ensure currency, economic viability, and incentive to provide taxi services, it is the policy of the licensing authority that the scheme of hackney carriage fares be subject to review a minimum of every 2 years. A review may result in no change to the scheme of fares. The fare scheme may be reviewed at any time where it is deemed appropriate.

### 8.6.Nature of review

8.7.Where appropriate, the licensing authority may review, in whole or in part, the structure, costs and/or any feature of the extant scheme of fares (e.g., unit costs, distances travelled, time periods, chronology, calendarisation and any additional permitted extras etc).

### 8.8.Relevant considerations

8.9.In reviewing the scheme of fares, the licensing authority will have regard to, but not be bound by the following considerations -
(a) the needs of the travelling public.
(b) what may be reasonable to expect people to pay.
(c) the need to provide sufficient incentive to provide a taxi service when it is needed.
(d) the available supply of and demand for taxi services.
(e) any graduation of the above by time of day, day of the week, seasonal variation and/or on special occasions etc; and
(f) the practicality of proposed fare scheme arrangements.
(g) the costs of fuel and other requirements, and the need for drivers to earn a suitable living.

NB: These considerations should not be seen as a comprehensive checklist or, in any way, be regarded as standards to be automatically applied in all cases.
8.10. To inform any fare review and take account of relevant issues, the licensing authority will seek to liaise with representatives of the taxi trade as part of any fare review, and before formal public consultation takes place.

### 8.11. Specific Fare Issues - Fouling Charge

8.12. In recognition that taxi drivers, vehicle proprietors and operators may incur both loss of earnings and costs in cleaning vehicles that may be fouled by customers and/or their accompaniments (e.g. belongings, shopping / food, dogs etc), the licensing authority will allow drivers to levy a fouling charge where any fouling renders the cab unfit for future hire.
8.13. As the nature and degree of fouling may vary, the licensing authority will normally specify the maximum amount that may be levied as a fouling charge but allow drivers to exercise some discretion of the actual amount charged (up to the maximum permitted). However, in an effort to prevent abuse and ensure transparency of any such charge, the licensing authority will expect any driver that levies a fouling charge to be able to justify - (a) why the charge was levied, and (b) the amount of the charge so levied.
8.14. As drivers are expected to be persons of trust, the licensing authority will, where appropriate, take a serious view of any taxi driver that cannot reasonably justify the levy of any fouling charge. In consideration of what may be reasonable in the circumstances, the licensing authority will have regard to -
(a) the nature, type, and degree of soiling to the vehicle.
(b) the extent to which the vehicle was rendered unfit for future hire.
(c) the reasonable time it took / would likely take to suitably clean the vehicle.
(d) the reasonable costs of materials and, where appropriate, other services including professional cleaning if required to suitably clean the vehicle, and
(e) the amount that the driver may reasonably have earned over the period the vehicle was off the road for cleaning if it were otherwise available for normal taxi work.
8.15. In view of the above, the licensing authority expects any driver who levies any fouling charge to exercise due diligence by taking and retaining suitable
photographs of the nature and extent of the soiling involved, and maintaining suitable records of the time, costs and materials needed to subsequently clean the cab to a suitable standard.

## COMPARISON TABLES OF FARE CHARGES AT EACH MILE MARK (UP TO 15 MILES) FOR CURRENT \& PROPOSED FARE SCHEMES

| EXISTING v PROPOSED SCHEME OF FARES COMPARISON TABLE METER RATE 1 - Day time |  |  |  |
| :---: | :---: | :---: | :---: |
| DISTANCE | CURRENT COSTS 01.05.22 (£) | PROPOSED SCHEME (£) | \%AGE INCREASE |
| Pull-off rate | 3.60 | 3.60 | 0.00\% |
| 1 MILE | 4.80 | 5.00 | 4.17\% |
| 2 MILES | 7.60 | 7.80 | 2.63\% |
| 3 MILES | 10.40 | 10.80 | 3.85\% |
| 4 MILES | 13.20 | 13.80 | 4.55\% |
| 5 MILES | 16.00 | 16.80 | 5.00\% |
| 6 MILES | 18.80 | 19.80 | 5.32\% |
| 7 MILES | 21.60 | 22.60 | 4.63\% |
| 8 MILES | 24.40 | 25.60 | 4.92\% |
| 9 MILES | 27.20 | 28.60 | 5.15\% |
| 10 MILES | 30.00 | 31.60 | 5.33\% |
| 11 MILES | 32.80 | 34.40 | 4.88\% |
| 12 MILES | 35.60 | 37.40 | 5.06\% |
| 13 MILES | 38.60 | 40.40 | 4.66\% |
| 14 MILES | 41.40 | 43.40 | 4.83\% |
| 15 MILES | 44.20 | 46.40 | 4.98\% |
| Meter Rate 1 Notes: |  |  |  |
| Pull-off charge (£) |  | Current |  |
|  |  | 3.60 |  |
| Pull-off distance (yards) |  | 1088 |  |
| Subsequent running mile charge ( $£$ ) |  | 0.20 |  |
| Distance per running mile charge up to 8 miles (yards) |  | 125.2 |  |



$\left.\begin{array}{|c|c|c|c|}\hline \text { EXISTING v PROPOSED SCHEME OF FARES COMPARISON TABLE } \\ \text { METER RATE } \\ \text { M - Christmas \& New Year }\end{array}\right]$

## APPENDIX E

## LOCAL JOURNEY EXAMPLES / COSTS ARISING FROM THE CURRENT AND PROPOSED FARE SCHEMES

| Local journey examples / costs arising from the current and proposed fare schemes |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rate |  | Meter Rate 1 Day time |  |  | Meter Rate 2 <br> Evenings \& Weekends |  |  | Meter Rate 3 <br> Night time, Bank Holidays \& Easter Sunday |  |  |
| Journey Details | Distance (miles) | Current Cost (£) | Proposed Cost (£) | Increase | Current Cost <br> (£) | Proposed Cost (£) | Increase | $\begin{aligned} & \text { Current } \\ & \text { Cost } \\ & \text { (£) } \\ & \hline \end{aligned}$ | Proposed Cost (£) | Increase |
| Council Offices to Guildford Station | 13.5 | 40.00 | 41.80 | 4.50\% | 40.40 | 42.20 | 4.46\% | 60.00 | 62.70 | 4.50\% |
| Council Offices to Aldershot Station | 4.1 | 13.40 | 14.00 | 4.48\% | 13.80 | 14.40 | 4.35\% | 20.10 | 21.00 | 4.48\% |
| Council Offices to Frimley Park Hospital | 2.7 | 9.60 | 10.00 | 4.17\% | 10.00 | 10.40 | 4.00\% | 14.40 | 15.00 | 4.17\% |
| Council Offices to Gatwick Airport (M/Way)* | 43.7 | 124.80 | 131.20 | 5.13\% | 125.20 | 131.60 | 5.11\% | 187.20 | 196.80 | 5.13\% |
| Council Offices to Gatwick Airport (Non M/Way)* | 47.1 | 134.40 | 141.20 | 5.06\% | 134.80 | 141.60 | 5.04\% | 201.60 | 211.80 | 5.06\% |
| Whitchurch Close to Frimley Park Hospital | 7.2 | 22.20 | 23.20 | 4.50\% | 22.60 | 23.60 | 4.42\% | 33.30 | 34.80 | 4.50\% |
| Weyborne Road to Frimley Park Hospital | 7.4 | 22.80 | 23.80 | 4.39\% | 23.20 | 24.20 | 4.31\% | 34.20 | 35.70 | 4.39\% |
| Whitchurch Close to Fernhill Lane | 7.8 | 23.80 | 25.00 | 5.04\% | 24.20 | 25.40 | 4.96\% | 35.70 | 37.50 | 5.04\% |
| Whitchurch Close to Juniper Road | 9.4 | 28.40 | 29.80 | 4.93\% | 28.80 | 30.20 | 4.86\% | 42.60 | 44.70 | 4.93\% |
|  |  |  |  |  |  |  |  |  |  |  |
| Waiting Time (on average) |  | $\begin{gathered} 40 \mathrm{p} \\ \text { per minute } \end{gathered}$ | $\begin{gathered} 40 \mathrm{p} \\ \text { per minute } \\ \hline \end{gathered}$ |  | $\begin{gathered} 40 \mathrm{p} \\ \text { per minute } \end{gathered}$ | $\begin{gathered} \hline 40 \mathrm{p} \\ \text { per minute } \\ \hline \end{gathered}$ |  | $\begin{gathered} 60 \mathrm{p} \\ \text { per minute } \end{gathered}$ | $\begin{gathered} 60 \mathrm{p} \\ \text { per minute } \\ \hline \end{gathered}$ |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Pull-off Fee |  | 3.60 | 3.60 |  | 4.00 | 4.00 |  | 5.40 | 5.40 |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Notes: <br> 1) All journeys shown above are for basic hire. Costs sh <br> 2) All mileage taken from AA Route Planner. <br> 3) All figures subject to rounding. <br> 4) Costs given are calculated for comparison purposes | do not incluc <br> In practice, | any extras e <br> neys marke | Waiting time, <br> are subject to | itional passe <br> pply and de | rs or telepho <br> nd and separ | bookings. <br> quotes - typ | lower than | se given. |  |  |



HACKNEY CARRIAGE FARES LEAGUE TABLE


## SUMMARY CONSIDERATIONS FOR SETTING OF TAXI FARES



WHAT MATTERS TO THE CUSTOMER / PUBLIC (in no particular order)

- Simple and easy to understand
$>$ Fare is reasonable and affordable ( $£$ )
$>$ Clear / Clarity of fares to be paid (in advance of journey)
$>$ Ease of calculation (both in advance and during journey)
$\rightarrow$ Ease of calculation by taximeter
> Practicality of applicability
$>$ Transparently and independently established
$>$ Easy to enforce / police
$>$ Offers sufficient incentive for trade to provide taxi services when needed

WHAT MATTERS TO THE TAXI TRADE (in no particular order)
> Fare reasonably covers the costs of service and provides reasonable driver income (£)
$>$ Fares commensurate with level of anti-social hours worked / risk (e.g. working at night / during night time economy) (i.e. incentive to provide a service when needed)
$\rightarrow$ Ease of calculation by taximeter

- Practicality of applicability
$>$ Practicality of payment method


## APPENDIX H

## EXCERPT FROM DFT TAXI AND PRIVATE HIRE VEHICLE LICENSING BEST PRACTICE GUIDANCE TO LICENSING AUTHORITIES (March 2010)

## TAXI FARES

52. Local licensing authorities have the power to set taxi fares for journeys within their area, and most do so. (There is no power to set PHV fares.) Fare scales should be designed with a view to practicality. The Department sees it as good practice to review the fare scales at regular intervals, including any graduation of the fare scale by time of day or day of the week. Authorities may wish to consider adopting a simple formula for deciding on fare revisions as this will increase understanding and improve the transparency of the process. The Department also suggests that in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand.
53. Taxi fares are a maximum, and in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at ranks, or for on-street hailings; there would be risks of confusion and security problems. But local licensing authorities can usefully make it clear that published fares are a maximum, especially in the context of telephone bookings, where the customer benefits from competition. There is more likely to be a choice of taxi operators for telephone bookings, and there is scope for differentiation of services to the customer's advantage (for example, lower fares off-peak or for pensioners).
54. There is a case for allowing any taxi operators who wish to do so to make it clear - perhaps by advertising on the vehicle - that they charge less than the maximum fare; publicity such as ' $5 \%$ below the metered fare' might be an example.
