## LICENSING, AUDIT & GENERAL PURPOSES COMMITTEE

HEAD OF OPERATIONAL SERVICES

REPORT NO. OS 2002

**27 JANUARY 2020** 

## CONSULTATION ON PROPOSED VARIATION TO THE SCHEME OF HACKNEY CARRIAGE FARES

### SUMMARY

This report outlines proposals to vary the current scheme of hackney carriage fares which have, following provisional approval of Cabinet, been published for public consultation.

The Committee is requested to consider the proposals and, as a specified consultee in the review process, make comments or recommendations for consideration by Cabinet on determination as may be appropriate.

### 1. BACKGROUND & INTRODUCTION

- 1.1. 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. Further, under the Local Authorities (Functions & Responsibilities) (England) Regulations, the determination of hackney carriage fares is an executive function.
- 1.2. Accordingly, whilst the Council has always established and set a scheme of fares and largely subject this to annual review in accordance with its taxi licensing policy, any revision to the scheme of fares follows a mechanism and timetable agreed by Cabinet.
- 1.3. The approved procedure generally involves the calculation of an initial percentage uplift figure (known as the 'notional uplift') using a formula based on various indices and measures of inflation, weighted to reflect factors relevant to the trade e.g. the cost of fuel. Using the notional uplift as a guide, a revised fare scheme is normally prepared for public consultation.
- 1.4. On this occasion, proposals to change the scheme of fares were initially submitted by the taxi trade in June 2019. However, Cabinet have previously expressed concern that the scheme of fares is complex and difficult to understand; and have questioned whether it best serves public interests in its current form. Consequently, having previously questioned whether the scheme can be simplified, the proposal given at appendix A was developed in consultation with the Portfolio holder for Operational Services and the former Chair of the Licensing, Audit & General Purposes Committee.
- 1.5. This report outlines this proposal which, following provisional approval of Cabinet, has now been published for public consultation. For these purposes,

the last date for representations and consultation comments is given as the close of business **27**<sup>th</sup> **January 2020**.

1.6. Given its role and responsibilities in other areas of taxi licensing work, the views of the Licensing, Audit & General Purposes Committee are sought on any change to the scheme of fares. Accordingly, the Committee is requested to consider the proposals and make any comments or recommendations for report to and consideration by Cabinet as may be appropriate.

**NB:** Should there be no representations / objections to the proposals, the proposed scheme will be introduced from **1st March 2020**. Where, following consultation, there are significant objections to the proposals, these must be taken back to Cabinet for consideration. Allowing for Cabinet / Committee cycles, any report back to Cabinet has been scheduled to its meeting of 4<sup>th</sup> February.

### 2. DETAILS OF THE PROPOSAL

### 2.1. Proposed variation(s)

2.2. The proposal seeks to simplify the scheme of fares by standardising the units used throughout (using units of a mile) and reducing the number of extra charges that can be applied. In recognition that the latter may reduce taxi driver takings, this proposal also seeks to apply a reasonable increase in excess of the notional uplift and round-up all fares to the nearest 10p.

### 3. IMPLICATIONS OF PROPOSALS

### 3.1. Proposed fare changes

3.2. The taxi fare implications inherent to the proposals can best be seen by comparing them against the current scheme of fares (see **appendix B**) and the notional uplift. These are outlined with additional commentary below.

### 3.3. Notional Uplift

3.4. Use of the approved formula results in a notional uplift of 3.4% (rounded-up) for the benchmark period January 2018 to January 2019 (see **appendix C**).

### 3.5. Comparison of benchmark taxi journeys

3.6. The tables given at appendix D provide for a fare cost comparison of journeys at each mile mark (up to 15 miles) for both the current and proposed schemes. 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.

### 3.7. Commentary of fare proposals

3.8. Following a reduction in pull-off distance, the proposed scheme provides for an initial cost increase on the pull off rate of 23.64% across the different metered rates. However, after the initial pull-off distance has been travelled, there is a variable increase in the cost of all journeys which will be applicable

to all taxi users. Using each mile mark up to 15 miles as a reference, this averages at 6.38%, 6.13%, 5.47% and 6.14% at meter rates 1, 2, 3, and 4 respectively (excluding pull off rate). Similar variable percentage increases will apply thereafter.

- 3.9. Such increases are notably more than the notional uplift of 3.4% and have been applied in recognition of the proposed reduction in the number of extra charges that can be applied from four to one. The remaining extra is considered justifiable on the basis that larger vehicles are generally required in order to carry more than 5 passengers, and these are typically more expensive both to buy and run. However, as the number and/or proportion of journeys undertaken to which additional extras have historically been applied is not known, it is not possible to provide comment on the appropriate level of increase to cover the reduction of these extras or their general impact with any degree of certainty.
- 3.10. In simplifying the scheme, these levels of uplift have been achieved through proposed changes to the distance travelled on both initial pull-off and the running mile, together with adjustments to associated charges. This has resulted in proposed charges that entail the use of small denominations (e.g. £0.25 for each ½10 mile at Rate 1, £0.37 for each ½10 mile at Rate 3). Notably, the taxi trade have previously sought to avoid use of small denominations as this means they have to carry additional cash reserves and handle small coins (including at night / in the dark).
- 3.11. To help reduce the need to handle additional cash and small denominations, and by way of providing additional recompense for the reduction in extras, it is further proposed that all fares be subject to rounding-up to the nearest 10p at the end of the journey where appropriate. This affects the overall uplift calculations quoted and, for this reason, the overall journey costs and percentage increase when rounding up is applied (where appropriate) is also shown in the cost comparison tables of **appendices D** and **E**.
- 3.12. Using each mile mark up to 15 miles as a reference, this provides for an overall average uplift at 6.74%, 6.47%, 5.71% and 6.14% at meter rates 1, 2, 3, and 4 respectively (excluding the pull off rate). Again however, as the type and number of journeys that are taken where this rounding-up would apply cannot be quantified, we are similarly unable to advise on the appropriate level or impact of this.

### 4. OTHER RELEVANT CONSIDERATIONS

### 4.1. Legal Implications

4.2. Whilst the Council is not obliged to set a revised scheme of fares, the Council's current taxi licensing policy (see **appendix F**) specifies that the Council will seek to undertake an annual review of taxi fares. It further aims to give effect to any variation to the scheme of fares by October or November each year (subject to Committee cycles etc); meaning that the review is due and outstanding against this timetable.

### 4.3. Consultation requirements

- 4.4. 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. Representations regarding proposed changes may then be made within a stated period of not less than 14 days.
- 4.5. 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 Cabinet for consideration. Otherwise, the proposed scheme takes effect on expiry of a date specified in the consultation notice (see pp 4.8 below). Allowing for newspaper publication dates and subsequent Cabinet / Committee cycles, any report back to Cabinet will be scheduled to its meeting of 4<sup>th</sup> February 2020.
- 4.6. In accordance with the approved procedure, the views of the Licensing, Audit & General Purposes Committee are also sought during any consultation period and fed back to Cabinet as may be appropriate. The Committee is therefore being asked to provide any feedback as part of this process.

### 4.7. Practical implementation requirements

4.8. Further to the above, any change to the scheme of fares results in the need to recalibrate the taximeters in all taxis licensed by the Council. A modern taximeter needs technical / specialist recalibration and, given the number of taxis involved, requires some co-ordination to take effect at the same time. For this reason, together with the aforementioned consultation requirements, Cabinet has provisionally approved that any revised scheme of fares take effect from 1st March 2020.

### 4.9. Financial and Resource Implications

4.10. There are no direct financial implications associated with this report other than those attributable to the costs of public consultation. However, these are factored into and can be borne by existing budgets.

## 4.11. Equalities Impact Implications

- 4.12. 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.
- 4.13. 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 or 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**.

4.14. For this reason, a range of socio-economic data and indicators are also provided at appendix H to inform these considerations. This is provided so as to help contextualise both the current and proposed levels of taxi fares against local circumstances, local issues of relative depravation / affluence and the ability to pay for and use taxi services.

### 4.15. Useful Guidance

- 4.16. 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 I**.
- 4.17. 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.

### 5. CONCLUSIONS

- 5.1. The Council's taxi licensing policy specifies that the Council will undertake an annual review of taxi fares. Whilst subject to an approved methodology, a proposal was approved for consultation this year in response to Member concerns with the current scheme format.
- 5.2. Any proposal for variation must be subject to public consultation and, by virtue of approved processes include Member consideration by virtue of the Licensing, Audit & General Purposes Committee. Where appropriate, all

representations / comments will be taken back to Cabinet for consideration before determination. However, by law, any advertised proposal will automatically take effect in the event that it does not attract any representations / comments. For practicality purposes, it is proposed that any revised scheme take effect from 1st March 2020.

**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 1st September 2018)
Appendix C	Model calculation of notional uplift of taxi fares (including indices) for 2019-2020
Appendix D	Comparison tables of fare charges at each mile mark (up to 15 miles) for current & trade proposed fare schemes
Appendix E	Local journey examples / costs arising from the current & trade proposed fare schemes
Appendix F	- Excerpt from the Council's taxi licensing policy
Appendix G	- Relevant considerations in setting taxi fares
Appendix H	- Socio-economic data & associated indicators
Appendix I	- Excerpt of DfT Best Practice Guidelines

### PROPOSED SCHEME OF FARES

## HACKNEY CARRIAGE FARES Proposed 2019

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
- All fares subject to rounding-up to nearest 10p (£0.10)

### METER RATE 1 - Day time

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

First 1/2 mile or uncompleted part	£3.00
For each subsequent (or part) 1/10 mile up to 8 miles	£0.25
Thereafter, for each subsequent (or part) 1/15 mile	£0.20
Waiting time (per 40 second period)	£0.20

### 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 1/2 mile or uncompleted part	£3.60
For each subsequent (or part) 1/10 mile up to 8 miles	£0.25
Thereafter, for each subsequent (or part) 1/15 mile	€0.20
Waiting time (per 40 second period)	€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 1/2 mile or uncompleted part	£4.50
For each subsequent (or part) 1/10 mile up to 8 miles	£0.37
Thereafter, for each subsequent (or part) 1/15 mile	20.30
Waiting time (per 40 second period)	€0.30

#### 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 1/2 mile or uncompleted part	26.00
For each subsequent (or part) 1/10 mile	£0.50
Waiting time (per 40 second period)	€0.40

#### **EXTRA CHARGES**

For each additional passenger in excess of five passengers

### £1.00

### FOULING CHARGE

Any fouling to the interior of the cab making it unfit for further hiring (at the discretion of the driver). Up to £100

### ROUNDING-UP

All fares subject to rounding-up to nearest 10p (£0.10).

COMPLAINTS AND COMMENTS - Where possible please quote the Cab / Driver Number

Please contact the Head of Operational Services at Rushmoor Borough Council, Council Offices, Famborough Road, Famborough, Hampshire, GU14 7JU. Tel: 01252 398 399 ■ Email: licensing@rushmoor.gov.uk



## **CURRENT SCHEME OF FARES** (EFFECTIVE FROM 1st SEPTEMBER 2018)

## HACKNEY CARRIAGE FARES Effective from 1 September 2018

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	£3.00
For each subsequent (or part) 149.5 yards up to 8 miles	£0.20
Thereafter, for each subsequent (or part) 125.2 yards	£0.20
Waiting time (per 40 second period)	£0.20

#### 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	£3.60
For each subsequent (or part) 149.5 yards up to 8 miles	£0.20
Thereafter, for each subsequent (or part) 125.2 yards	£0.20
Waiting time (per 40 second period)	£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	£4.50
For each subsequent (or part) 149.5 yards up to 8 miles	£0.30
Thereafter, for each subsequent (or part) 125.2 yards	£0.30
Waiting time (per 40 second period)	£0.30

#### 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	£6.00
For each subsequent (or part) 149.5 yards	£0.40
Waiting time (per 40 second period)	£0.40

#### 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

£1.00

£1.00

£1.00

NB: Passengers may be charged a maximum of four extras, up to a maximum of £4.00

### FOULING CHARGE

Any fouling to the interior of the cab making it unfit for further hiring (at the discretion of the driver). Up to £100

### COMPLAINTS AND COMMENTS - Where possible please quote the Cab / Driver Number

Please contact the Head of Environmental Health & Housing at Rushmoor Borough Council, Council Offices, Farnborough Road, Farnborough, Hampshire, GU14 7JU. Tel: 01252 398 399 Email: licensing@rushmoor.gov.uk



## **APPENDIX C**

## MODEL CALCULATION OF NOTIONAL UPLIFT OF TAXI FARES (INCLUDING INDICES) FOR 2018-2019

Formula to Uplift Taxi Fares				
Weighting	Annual Increases	Relevant Government Indices		%
		January	January	Increase
		2018	2019	
80	uplifted by Average Weekly Earnings (Whole Economy)	163.00	169.60	4.05
10	uplifted by R.P.I (Petrol and Oil)	353.40	360.10	1.90
5	uplifted by R.P.I (Vehicle Tax & Insurance)	811.10	785.70	-3.13
5	uplifted by R.P.I (All Items excl mortgage costs)	276.50	283.40	2.50

Outcome Calculation					
Annual Percentage Increase	Approved Percentage Weighting	Weighted Percentage Increase			
4.05	0.80	3.24			
1.90	0.10	0.19			
-3.13	0.05	-0.16			
2.50	0.05	0.12			
	Formula Uplift Total (%)	3.39			

### **APPENDIX D**

## 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 01.09.18 (£)	PROPOSED SCHEME COSTS (£)	%AGE INCREASE			
Pull-off rate	£3.00 per 1088yds	£3.00 per 880yds	23.64%			
1 MILE	4.00	4.25	6.25% *7.50%			
2 MILES	6.40	6.75	*6.25%			
3 MILES	8.80	9.25	*5.68%			
4 MILES	11.00	11.75 *11.80	*7.27%			
5 MILES	13.40	14.25 *14.30	*6.72%			
6 MILES	15.80	16.75 *16.80	6.01% *6.33%			
7 MILES	18.20	19.25 *19.30	5.77% *6.04%			
8 MILES	20.40	21.75 *21.80	6.62% *6.86%			
9 MILES	23.40	24.95 *25.00	6.62% *6.84%			
10 MILES	26.20	27.95 *28.00	6.68% *6.87%			
11 MILES	29.00	30.95 *31.00	6.72% *6.90%			
12 MILES	31.80	33.95	6.76% *6.92%			
13 MILES	34.60	36.95	6.79% *6.94%			
14 MILES	37.40	39.95 *40.00	6.82% *6.95%			
15 MILES	40.20	42.95 *43.00	6.84% *6.97%			
Meter Rate 1 Notes:		Current	Proposed			
	yardage) charge (£) up to 8 miles charge up to 8 miles (yard	3.00 1088 £3.00/1088yds £0.20/149.5yds s) 149.5	3.00 880 £3.00/880yds £0.25/176yds 176			

Subsequent running mile charge (£) after 8 miles £0.20/125.2yds £0.20/117.3yds Distance per yardage rate charge after 8 miles (yards) 125.2 £17.3 NB: All journeys shown above are for basic hire. Costs shown do not include any extras. Figures marked '\*' subject to fare round-up to nearest 10p in accordance with proposal

EXISTING v PROPOSED SCHEME OF FARES COMPARISON TABLE METER RATE 2 - Evenings & Weekends						
DISTANCE	CURRENT COSTS 01.09.18 (£)	PROPOSED SCHEME COSTS (£)	%AGE INCREASE			
Pull-off rate	£3.60 per 1088yds	£3.60 per 880yds	23.64%			
1 MILE	4.60	4.85	*6.52%			
2 MILES	7.00	7.35 *7.40	5.00%			
3 MILES	9.40	9.85	4.79%			
4 MILES	11.60	12.35 *12.40	6.47%			
5 MILES	14.00	14.85 *14.90	6.07%			
6 MILES	16.40	17.35 *17.40	5.79%			
7 MILES	18.80	19.85	5.59%			
8 MILES	21.00	22.35 *22.40	6.43%			
9 MILES	24.00	25.55 *25.60	6.46%			
10 MILES	26.80	28.55 *28.60	6.53%			
11 MILES	29.60	*31.60	6.59%			
12 MILES	32.40	34.55	6.64%			
13 MILES	35.20	37.55	6.68%			
14 MILES	38.00	*40.60	6.71%			
15 MILES	40.80	43.55 *43.60	6.74%			

### Meter Rate 2 Notes:

Current Proposed Pull-off charge (£) 3.60 3.60 Pull-off distance (yards)
Pull-off rate (£s per initial yardage) 1088 880 £3.60/1088yds £3.60/880yds Subsequent running mile charge (£) up to 8 miles £0.20/149.5yds £0.25/176yds Distance per running mile charge up to 8 miles (yards) Subsequent running mile charge (£) after 8 miles 149.5 176 £0.20/125.2yds £0.20/117.3yds Distance per yardage rate charge after 8 miles (yards) 125.2 117.3

NB: All journeys shown above are for basic hire. Costs shown do not include any extras. Figures marked '\*' subject to fare round-up to nearest 10p in accordance with proposal

EXISTING v PROPOSED SCHEME OF FARES COMPARISON TABLE METER RATE 3 – Night-time, Easter Sunday & Bank Holidays						
DISTANCE	CURRENT COSTS 01.09.18 (£)	PROPOSED SCHEME COSTS (£)	%AGE INCREASE			
Pull-off rate	£4.50 per 1088yds	£4.50 per 880yds	23.64%			
1 MILE	6.00	6.35	*6.67%			
2 MILES	9.60	10.05 *10.10	*5.21%			
3 MILES	13.20	13.75 *13.80	*4.55%			
4 MILES	16.50	17.45 *17.50	*6.06%			
5 MILES	20.10	21.15 *21.20	*5.47%			
6 MILES	23.70	24.85 *24.90	*5.06%			
7 MILES	27.30	28.55 *28.60	*4.76%			
8 MILES	30.60	32.25 *32.30	*5.56%			
9 MILES	35.10	37.05	*5.70%			
10 MILES	39.30	41.55 *41.60	*5.85%			
11 MILES	43.50	46.05 *46.10	*5.98%			
12 MILES	47.70	*50.60	*6.08%			
13 MILES	51.90	55.05 *55.10	*6.17%			
14 MILES	56.10	59.55 *59.60	6.15%			
15 MILES	60.30	64.05	*6.30%			

## Meter Rate 3 Notes:

Current **Proposed** Pull-off charge (£) 4.50 4.50 Pull-off distance (yards) 1088 880 Pull-off rate (£s per initial yardage) £4.50/1088yds £4.50/880yds Subsequent running mile charge (£) up to 8 miles Distance per running mile charge up to 8 miles (yards) £0.30/149.5yds £0.37/176yds 176 £0.30/117.3yds 149.5 Subsequent running mile charge (£) after 8 miles £0.30/125.2yds Distance per yardage rate charge after 8 miles (yards) 125.2 117.3

NB: All journeys shown above are for basic hire. Costs shown do not include any extras. Figures marked '\*' subject to fare round-up to nearest 10p in accordance with proposal

EXISTING v PROPOSED SCHEME OF FARES COMPARISON TABLE METER RATE 4 - Christmas & New Year						
DISTANCE	CURRENT COSTS 01.09.18 (£)	PROPOSED SCHEME* (£)	%AGE INCREASE			
Pull-off rate	£6.00 per 1088yds	£6.00 per 880yds	23.64%			
1 MILE	8.00	8.50	6.25%			
2 MILES	12.80	13.50	5.47%			
3 MILES	17.60	18.50	5.11%			
4 MILES	22.00	23.50	6.82%			
5 MILES	26.80	28.50	6.34%			
6 MILES	31.60	33.50	6.01%			
7 MILES	36.40	38.50	5.77%			
8 MILES	40.80	43.50	6.62%			
9 MILES	45.60	48.50	6.36%			
10 MILES	50.40	53.50	6.15%			
11 MILES	55.20	58.50	5.98%			
12 MILES	59.60	63.50	6.54%			
13 MILES	64.40	68.50	6.37%			
14 MILES	69.20	73.50	6.21%			
15 MILES	74.00	78.50	6.08%			

Meter Rate 4 Notes:

 Current
 Proposed

 Pull-off charge (£)
 6.00
 6.00

 Pull-off distance (yards)
 1088
 880

 Pull-off rate (£s per initial yardage)
 £6.00/1088yds
 £6.00/880yds

 Subsequent running mile charge (£)
 £0.40/149.5yds
 £0.50/176yds

 Distance per running mile charge up to 8 miles (yards)
 149.5
 176

NB: All journeys shown above are for basic hire. Costs shown do not include any extras. All figures subject to fare round-up to nearest 10p in accordance with proposal

### **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 Evenings & Weekends		Meter Rate 3 Night time, Bank Holidays & Easter Sunday				
Journey Details	Distance (miles)	Current Cost (£)	Proposed Cost (£)	Increase	Current Cost (£)	Proposed Cost (£)	Increase	Current Cost (£)	Proposed Cost (£)	Increase
Council Offices to Guildford Station	13.5	36.00	38.35 *38.40	6.53% *6.67%	36.60	38.95 *39.00	6.42% *6.56%	54.00	57.15 *57.20	5.83% *5.93%
Council Offices to Aldershot Station	4.1	11.20	12.00	7.14% 7.14%	11.80	12.60	6.78%	16.80	17.82 *17.90	6.07% *6.55%
Council Offices to Frimley Park Hospital	2.7	8.00	8.50	6.25%	8.60	9.10	5.81% 5.81%	12.00	12.64 *12.70	5.33% *5.83%
Council Offices to Gatwick Airport (M/Way)†	43.7	120.80	128.95 *129.00	6.75% *6.79%	121.40	129.55 *129.60	6.71% *6.75%	181.20	193.05 *193.10	6.54% *6.57%
Council Offices to Gatwick Airport (Non M/Way)†	47.1	130.40	139.15 *139.20	6.71% *6.75%	131.00	139.75 *139.80	6.68% *6.72%	195.60	208.35 *208.40	6.52% *6.54%
Whitchurch Close to Frimley Park Hospital	7.2	18.60	19.75 *19.80	6.18% *6.45%	19.20	20.35 *20.40	5.99% *6.25%	27.90	29.29 *29.30	4.98% *5.02%
Weyborne Road to Frimley Park Hospital	7.4	19.00	20.25 *20.30	6.58% *6.84%	19.60	20.85 *20.90	6.38% *6.63%	28.50	30.03	5.37% *5.61%
Whitchurch Close to Fernhill Lane	7.8	20.00	21.25 *21.30	6.25% *6.50%	20.60	21.85 *21.90	6.07% *6.31%	30.00	31.51 *31.60	5.03% *5.33%
Whitchurch Close to Juniper Road	9.4	24.40	26.15 *26.20	7.17% *7.38%	25.00	26.75 *26.80	7.00% *7.20%	36.60	38.85 *38.90	6.15% *6.28%
Waiting Time		30p per minute	30p per minute		30p per minute	30p per minute		45p per minute	45p per minute	
Pull-off Fee		3.00	3.00		3.60	3.60		4.50	4.50	

#### Notes

- 1) All journeys shown above are for basic hire. Costs shown do not include any extras e.g. Waiting time, additional passengers or telephone bookings.
- 2) All mileage taken from AA Route Planner.
- 3) All figures subject to rounding. Figures marked '\*' subject to fare rounding up to nearest 10p in accordance with proposal
- 4) Costs given are calculated for comparison purposes only. In practice, journeys marked '†' are subject to supply and demand and separate quotes typically lower than those given.

### **EXCERPT FROM THE COUNCIL'S TAXI LICENSING POLICY**

(taken from Part H, Section 8, pages 77-78)

## 1.1. GENERAL ARRANGEMENTS

1.2. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA76) 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. There is no power to set private hire vehicle fares.

## 1.3. Frequency of review

1.4. 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 annual review in accordance with the timetable and methodology below.

## 1.5. General methodology of review

- 1.6. To allow comparison, increase understanding and transparency of any review, the licensing authority will normally calculate and consider a notional uplift using an approved formula based on various indices and measures of inflation relevant to taxi trade.
- 1.7. Also, by way of facilitating consultation and local trade input, the licensing authority will normally invite the taxi trade to submit proposals for change to the current scheme of fares by the 1st May each year (timed to reflect the annual and comparative nature of the review process).
- 1.8. By way of facilitating comparison and to assist it in determination of any proposed review of the scheme of fares, the licensing authority will normally take the following and similar matters into consideration
  - (a) Any notional uplift figure calculated in accordance with any approved formula:
  - (b) A direct comparison table of extant and proposed changes to the pull off rate and/or running mile per unit distance travelled;
  - (c) The fare charts of neighbouring authorities;
  - (d) Any league table of national/regional taxi fares; and
  - (e) Practical comparable journey fares from both extant and proposed fare schemes.

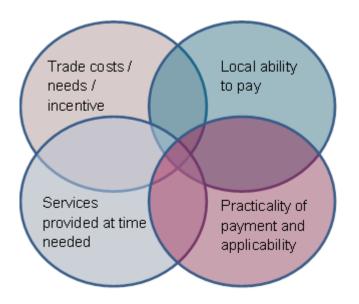
### 1.9. Nature of review

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

### 1.11. Relevant considerations

- 1.12. In reviewing the scheme of fares, the licensing authority will normally 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.
- **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.

### **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)
- > 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)
- > Ease of calculation by taximeter
- > Practicality of applicability
- Practicality of payment method

### SOCIO-ECONOMIC DATA & RELEVANT INDICATORS

The following socio-economic data is provided to help contextualise both the current and proposed levels of taxi fares against local circumstances, local issues of relative depravation / affluence and the ability to pay for and use taxi services.

### Relative affluence of area

## Types of housing in Rushmoor

A higher percentage of housing in Rushmoor is at the lower end of the property market. In 2018, 86.6% of properties were in Band D or below. This is a much higher percentage than Rushmoor's geographic neighbours.

March 2018	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
Band A	3.6%	1.9%	1.8%	1.7%	1.9%
Band B	21.8%	5.9%	6.2%	5.9%	5.1%
Band C	39.2%	20.7%	18.6%	16.3%	23.0%
Band D	21.9%	27.6%	23.5%	26.8%	22.6%
Band E	9.6%	17.2%	17.6%	18.3%	20.0%
Band F	2.9%	11.1%	12.8%	15.8%	17.3%
Band G	0.8%	12.7%	15.6%	13.9%	9.6%
Band H	0.1%	3.0%	3.9%	1.4%	0.6%
% band D or below	86.6%	56.1%	50.1%	50.6%	52.6%

(Source: Valuation Office Agency)

## Number of people on benefits /claimant count

Rushmoor has a higher percentage of residents claiming benefit principally for the reason of being unemployed and claiming mainly out-of-work benefits than residents in its geographical neighbours.

**Claimant Count -** Claimant Count is the number of people claiming benefit principally for the reason of being unemployed.

May 2019	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
% of those ages 16 -64 in area	1.3%	0.8%	0.7%	0.8%	0.6%

(Source: NOMIS - Office for National Statistics)

## (Un)Employment rates

Unemployment rates (model based) are very similar in Rushmoor and surrounding areas.

Jan 2018 - Dec 2018	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
Economically active (% of those ages 16 -64 in area)	87.1%	77.5%	84.0%	83.5%	90.1%
In employment (% of those ages 16 - 64 in area)	84.2%	73.9%	82.0%	80.0%	86.5%
Unemployed (% of those economically active)*	2.7%	2.8%	2.3%	2.8%	2.6%

\*Model based

(Source: NOMIS - Office for National Statistics)

## % population in relative deprivation

Rushmoor has higher deprivation score (as defined by the national Indices of Multiple Deprivation), and a higher percentage of children living in low income families than in the areas around Rushmoor. Also, Rushmoor has a much lower percentage of households not deprived in any dimension from the 2011 Census, compared to its geographical neighbours.

## **Indices of Multiple Deprivation**

2015	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
Deprivation score (IMD 2015)	15.1	9.4	7.1	7.7	5.0

(Source: Public Health England - 2017 Area Health Profile)

### **Child poverty**

2016	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
% children (under 16) in low income families	11.2%	9.4%	7.0%	6.7%	6.6%

(Source: Public Health England - 2018 Area Health Profile)

## Deprivation dimensions data from the 2011 Census

The 2011 Census has calculated the number of households in a given area with selected household characteristics that are related to deprivation, these are called dimensions. The deprivation dimensions used by the Census are:

- Employment if any member of a household, not a full-time student, is either unemployed or long-term sick
- Education if no person in the household has at least level 2 education (5+GCSE or equivalent), and no person aged 16-18 is a full-time student

- Health and disability if any person in the household has general health categorised as 'bad or very bad' or has a long term health problem
- Housing if the household's accommodation is either overcrowded, with an occupancy rating -1 or less (this means one less room than needed based on a standard formula), or is in a shared dwelling, or has no central heating.

	Rushmoor %	Guildford %	Waverley %	Surrey Heath %	Hart %
Household is not deprived in any dimension	47.5	54.9	56.6	56.2	58.7
Household is deprived in 1 dimension	32.7	30.0	29.2	29.8	29.0
Household is deprived in 2 dimensions	15.5	12.4	11.8	11.8	10.7
Household is deprived in 3 dimensions	3.9	2.5	2.1	2.0	1.5
Household is deprived in 4 dimensions	0.4	0.2	0.2	0.2	0.1

(Source: Office for National Statistics)

## Income / disposable income levels

Rushmoor residents earn £60+ less a week than residents in its geographical neighbours. Those who work in Rushmoor also earn less than if they worked in Guildford, Waverley and Hart.

## Gross weekly pay of those who live in Rushmoor and those who work in Rushmoor

2018 all full time workers	Rushmoor	Guildford	Waverley	Surrey Heath	Hart	National Living Wage (over 25)	South East	Great Britain
Earnings by residence	£609.1	£723.3	£713.0	£742.3	£670.2	£303.7	£614.5	£571.1
Earnings by workplace	£693.2	£681.2	£536.5	£582.4	£622.5	£303.7	£589.2	£570.9

(Source: NOMIS - Office for National Statistics)

### Average annual income levels

2018 all full time workers	Rushmoor	Guildford	Waverley	Surrey Heath	Hart	National Living Wage (over 25)	South East	Great Britain
Earnings by residence	£31,673	£37,612	£37,076	£38,600	£34,850	£15,796	£31,954	£29,697

(Source: NOMIS - Office for National Statistics)

## Mode of travel choice

In 2011, Rushmoor residents mainly travelled to work by car or van (47.6%). In total 166 people (0.2%) travelled to work by taxi, this was the highest number and percentage of the population aged 16-74, compared to Rushmoor's geographical neighbours.

## Method of Travel to Work - Resident Population, 2011

% of population aged 16-74	Rushmo or	Guildfor d	Waverle y	Surrey Heath	Hart
Work mainly at or from home	2.8%	5.3%	7.0%	5.5%	6.0%
Underground, metro, light rail, tram	0.1%	0.2%	0.2%	0.2%	0.1%
Train	5.0%	7.8%	7.8%	4.4%	5.2%
Bus, minibus or coach	3.0%	2.3%	1.2%	1.4%	0.9%
Taxi (people)	0.2% (166)	0.1% (152)	0.1% (88)	0.1% (71)	0.1% (84)
Motorcycle, scooter or moped	0.6%	0.5%	0.5%	0.5%	0.5%
Driving a car or van	47.6%	39.3%	41.8%	50.1%	50.2%
Passenger in a car or van	3.9%	2.5%	2.6%	2.7%	2.4%
Bicycle	2.1%	1.8%	1.1%	1.3%	1.5%
On foot	7.4%	8.2%	6.4%	5.2%	5.4%
Other method of travel to work	0.6%	0.4%	0.5%	0.6%	0.4%
Not in employment	26.7%	31.4%	30.9%	28.1%	27.3%

(Source: Office for National Statistics)

## % car ownership

In 2011, Rushmoor residents had the lowest level of car ownership, compared to our geographical neighbours

## 2011 Car ownership

% of households	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
No car or van	16.6%	13.9%	11.9%	10.0%	8.0%
1 car or van	43.0%	40.0%	38.1%	34.5%	34.7%
2 cars or vans	31.2%	33.9%	36.3%	39.9%	42.1%
3 cars or vans	6.8%	8.6%	9.7%	11.0%	10.7%
4 or more cars or vans	2.4%	3.6%	4.0%	4.6%	4.5%

(Source: Office for National Statistics)

## Net inward / outward migration

The following table demonstrates that in 2011 more people commuted out of Rushmoor than commuted into Rushmoor. More Rushmoor residents commuted into Surrey Heath than to anywhere else.

	Where people LIVING IN Rushmoor go to work	Where people WORKING IN Rushmoor live
Rushmoor	16,367 people living and	working in the Borough
	4,565 hom	e workers
	4,131 workers with	no fixed workplace
Hart	3,238	4,675
Surrey Health	4,693	2,806
Guildford	3,579	2,656
Waverley	2,703	2,174
Bracknell Forest	1,158	1,072
Woking	1,013	625
Basingstoke & Deane	931	1,213
East Hampshire	636	1,236
	Total commuting OUT of Rushmoor – 26,208	Total commuting INTO Rushmoor – 25,058

(Source: 2011 Census <a href="http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc193/">http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc193/</a>)

## **Older population**

Rushmoor has a lower number and lower percentage of state pensioners than in the surrounding areas.

State Pension caseload – August 2018	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
Number	12,895	23,812	26,415	16,737	18,402
Percentage of population	13.5%	16.1%	20.1%	18.8%	19.3%

(Source: DWP Stat-Xplore)

## III health

The 2011 census indicated that a higher percentage of Rushmoor residents indicated that they were in bad or very bad health, compared to the residents in the surrounding local authorities.

General Health 2011 census	Rushmoor	Guildford	Waverley	Surrey Heath	Hart
% of the population indicating that they are in bad health or very bad health	3.6%	3.2%	3.3%	3.2%	2.7%

(Source: Office for National Statistics)

# 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.