

**POST CONSULTATION DETERMINATION OF PROPOSED VARIATION TO
THE SCHEME OF HACKNEY CARRIAGE FARES**

SUMMARY AND RECOMMENDATIONS

Following Cabinet approval for public consultation, this report outlines the response made and representations received in respect of proposed variations to the Council's scheme of hackney carriage fares.

Further, and, in view of receipt of a significant number of representations (n=116) from the consultation, Cabinet is recommended to –

- 1) withdraw the proposed variation to the existing scheme of hackney carriage fares outlined in Cabinet Report No. OS1909;
- 2) retain and continue the existing scheme of fares (effective from 01.09.18);
- 3) ensure that the 3.4% notional uplift for 2019/20 is taken into account as part of the next fare review; and
- 4) (re)consider the scheme of hackney carriage fares in the round as part of a review of the Council's taxi licensing policy.

1.0 INTRODUCTION & BACKGROUND

- 1.1 At its meeting of 16th December 2019, Cabinet considered report OS 19 09 concerning proposals to vary the Council's current scheme of hackney carriage fares.
- 1.2 At this time, it was reported that an initial request to vary the scheme of fares had been received in June 2019 from representatives of the taxi trade seeking a reduction to the initial pull-off yardage travelled on each metered rate from 1088 yards to 938.5 yards. Under these proposals, all other elements of the scheme were to remain the same.
- 1.3 However, it was also reported that Cabinet had previously expressed concern that the scheme of fares was complex and difficult to understand; and had previously questioned whether it best served public interests in its current form. Consequently, having previously questioned whether the scheme can be simplified, an alternative proposal was developed in consultation with the Portfolio holder for Operational Services and the Chair of the Licensing, Audit & General Purposes Committee.
- 1.4 Cabinet subsequently approved the latter for public consultation, which has since taken place. This report outlines the subsequent response and the representations received. Cabinet is requested to consider the representations submitted and determine whether to progress the proposed scheme (either with or without modification(s)).

2.0 REPRESENTATION(S)

2.1. Number and type of public consultation representations

2.2. Further to public consultation, a total of 116 representations have been received – all objecting to the proposal. Of these, 112 were made by members of the local taxi trade and 4 by members of the public (MOP) (albeit two of these are from an ex-licensed driver and vehicle proprietor). Of the trade representations received, 26 were made by hackney carriage drivers, 15 by private hire drivers and 70 were submitted by drivers jointly licensed to drive both hackney carriage and private hire vehicles. One representation was submitted by a licensed private hire operator; being a business that holds multiple driver interests.

2.3. To save paper and costs of printing, all representations and comments received on consultation can be viewed on the Council's website at www.rushmoor.gov.uk/article/11888/Proposed-changes-to-hackney-carriage-fares.

2.4. Relevance of some representations

2.5. It should be noted that whilst some private hire operators choose to implement the Council's scheme of hackney carriage fares as their own fare charging arrangements, there is no requirement on private hire operators to do so. Private hire operators negotiate the price with the customer at the time of booking and they are therefore free to set their own scheme of fares as they see fit. Accordingly, whilst included in this report for Member consideration, it is arguable whether those representations made by private hire drivers, vehicle proprietors and/or operators are relevant. This may require preliminary decision as to their relevance, acceptance and/or consideration.

2.6. Summary of public consultation representations

2.7. Despite this, all trade representations make objection to the published proposals; many specifically objecting to the proposed removal of the additional extras. Whilst some point to the fact that neighbouring authorities maintain additional extras and booking fees, many state that they would lose income if the proposals were implemented. Where figures are quoted, the claimed loss of income varies between £2,600 and £10,400 per annum or between 10% and 17.5% in percentage terms.

2.8. Others express this loss through the general distance required to be travelled before any increase in fare would be taken under the proposals. For each £1 extra charge lost, this is generally quoted as being in excess of 7 miles per fare paying journey. It is further stated that most taxi journeys are made over short distances; with some quoting 95% of journeys are less than 7 miles. Others still, express the impact of the proposals in terms that drivers will need to work longer hours to make ends meet with the consequent effect this may have on safety and family life.

- 2.9. A number of representations object to the proposals as the increase in costs in provision of a taxi service will be higher with some earning less than the national minimum wage on occasion; citing increasing costs in fuel, station permits, maintenance and the general cost of living etc. Various representations state or imply that where implemented the proposals will make the provision of taxi services unviable and unsustainable or that those making them would have little option but to leave the profession or look for alternative employment.
- 2.10. Indeed, some state that the proposals will result in a reduction in wheelchair accessible vehicles being licensed due to the costs incurred to run and maintain them. This is a particular concern of one of the member of public representations. Others claim that the proposals will cause the current trade to fail.
- 2.11. In addition to the financial viability issues outlined above, some point to wider social and environmental issues, arguing that the proposals will result in greater costs for short journey users (i.e. local residents) but that out of borough users will benefit (i.e. longer journey users). Others express or imply that fares should reflect the costs of purchase of new vehicles, particularly the more environmentally friendly and/or hybrid vehicles that are becoming available.
- 2.12. On a practical note, some representations suggest or imply that variations to the taxi rate are more readily established in yards and not easily computed by fractions of a mile; which will lead to increasingly complicated tariffs and/or use of small denominations in the future. Indeed, some point out that fractions of a mile have previously been used in Council schemes in the past and were found to be too restrictive to apply to small or more limited inflationary uplifts; fractions of a mile being seen as a less precise means of measurement. Others contend that yards (as opposed to fractions of a mile) are more readily related units of small distances by the public; citing road traffic signs as an example.
- 2.13. A number of representations object to and make comment on use of small denominations in the proposed scheme. Whilst some also question the proposal to round up fares to the nearest 10p, believing this will cause customer confusion, subsequent disputes and delays.
- 2.14. Whilst no specific alternative proposals are offered, some trade representations suggest or imply that that the current scheme of fares should be left as it is (i.e. as per the extant scheme of fares effective from 1st September 2018), whilst others suggest or imply that the initial trade proposal should be progressed instead. Others suggest that an alternative solution should be sought in consultation with the trade.

2.15. Member Consultation

- 2.16. The Licensing, Audit & General Purposes Committee was also requested to consider the proposed scheme at its meeting of the 27th January. Whilst broadly supportive of the principle of simplification and the aims of the consultation proposal, the Committee made the following comments and observations; namely –

- (a) The number of complaints in relation to the complexity of the current scheme were minimal;
- (b) A lack of data meant that it had not been possible to model the impact of the proposed removal of the existing extra charges;
- (c) Extra charges were not uncommon, with most local authority fare schemes including variants of these;
- (d) A loss of between £3000 and £5000 a year for local drivers may result for each extra charge removed from the current fare scheme;
- (e) The Committee considered there was an argument for the booking fee to be retained;
- (f) The Committee considered arguments for the out of borough extra charge to be retained;
- (g) The Committee noted that the use of tenths of a mile may create future fare review difficulties; whereas small adjustments may quickly become incomprehensible / unworkable;
- (h) Whilst acknowledging the principle of rounding-up, the Committee noted that taximeters are incapable of performing this function and suggested that these practical issues be reviewed; and
- (i) The Committee considered that simplification of the scheme may be best achieved by changing the way in which the scheme of fares was presented.

3.0 SUMMARY OF PROPOSALS FOLLOWING CONSULTATION

- 3.1. As no specific alternative proposals were submitted on consultation, the proposals that effectively remain for consideration include -
 - (a) the initial proposed scheme (i.e. as subject to public consultation);
 - (b) the initial trade proposal (submitted June 2019);
 - (c) the extant scheme (i.e. leave as per the current scheme of fares effective from 1st September 2018).
- 3.2. Details of each proposal / scheme were set out in the previous report OS 19 09. A copy of this report is available on the Council's website at <https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?CId=138&MId=686&Ver=4> or can otherwise be viewed on the file record 19/01221/TAXGEN accessible via the Council's Licensing team.

4.0 IMPLICATIONS OF THE PROPOSALS

- 4.1. The taxi fare implications inherent to each option can best be seen by comparing them against the current scheme of fares and the notional uplift. This is a percentage uplift figure that is calculated 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); and is calculated at 3.4% for 2019/20.
- 4.2. Whilst there is no change in fares from maintaining the extant scheme of fares (option C), the comparative implications of options A and B were set out in the report OS 19 09 together with additional commentary. A copy of this report can be viewed on the file record 19/01221/TAXGEN accessible viz the Council's Licensing team or on the Council's website at <https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?CId=138&MId=686&Ver=4>.

5.0 COMMENTARY ON PROPOSALS

- 5.1. It is clear from the representations and feedback arising from public consultation that the published proposals (Option A above) do not, for a variety of reasons, work for the taxi trade. As well as various practical issues, such reasons primarily centre around the potential loss of income and viability of operating a taxi service in Rushmoor, but also include the associated reduction in vehicle maintenance, safety and/or investment.
- 5.2. It is also clear that the trade proposals (Option B above) build upon the existing scheme format and do not account for Member concerns over scheme complexity and/or whether this best serves public interests. Whilst some of these matters might reasonably be resolved by changing the format or style of presentation of the scheme, the nature of any change has not been explored, tested or subject to appropriate consultation at this time.
- 5.3. In such respects, it may be appropriate to withdraw the published proposals, carry over (i.e. 'bank') the notional uplift and to retain the existing scheme of fares until there has been suitable opportunity to consult on a revised format. Notably, with a review of the Council's taxi licensing policy due, a suitable opportunity to consult on any such changes will arise over the next few months and provide the opportunity to realign the review of fares with its normal review cycle.

6.0 OTHER RELEVANT CONSIDERATIONS

6.1. Legal considerations

- 6.2. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA76) sets out the legal procedures and consultation requirements with regard to the setting of taxi fares. Notably, these provisions comprise a power - not a duty (i.e. a discretionary ability) to set and revise taxi fares and therefore, it must be noted that the Council is not obliged to set a revised scheme of fares.

6.3. However, where a proposal is progressed, Section 65(4) of the LGMPA76 provides that where, following consultation, there are any objections to the proposals which are not withdrawn, the Council shall set a date, not later than two months after the first specified date (1st March 2020), on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.

6.4. Policy considerations

6.5. Historically, the Council has always had an established scheme of fares and this has largely been subject to review in accordance with its taxi licensing policy. Notably, the Council's current taxi licensing policy specifies that the Council will seek to undertake an annual review of taxi fares.

6.6. Practical implementation requirements

6.7. 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, the implementation date for any revised scheme of fares should allow for a 3 to 4 week co-ordination period in which any changes can be communicated and the necessary taxi meter adjustments can be arranged. It is for this reason that any revised scheme of fares was initially proposed to take effect from **1st March 2020**. However, this was subject to change in accordance with paragraph 6.3 above.

6.8. Equalities & socio-economic considerations

6.9. Once established, a scheme of fares must be applied to hackney carriage 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 taxi fare for any journey between point A to B. It is considered that this does not discriminate between those with protected characteristics.

6.10. 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 and/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 of anti-social hours).

6.11. These and other relevant equality considerations, together with a range of socio-economic data and associated indicators were similarly provided in report OS 19 09. This can be viewed on the file record 19/01221/TAXGEN accessible viz the Council's Licensing team or can be accessed on the Council's website as previously outlined.

6.12. Financial and Resource Implications

6.13. There are no direct financial implications associated with this report other than those attributable to the costs of printing, distributing and co-ordinating the implementation of any revised scheme. However, these are factored into and can be borne by existing budgets.

7.0 CONCLUSIONS

7.1. The Council's taxi licensing policy specifies that the Council will undertake an annual review of taxi fares. Whilst the taxi trade submitted initial uplift proposals for consideration, an alternative proposal was developed in view of Member concerns with the format of the current scheme. Following Cabinet approval in December 2019, the latter was published for public consultation.

7.2. Following consultation, 116 representations have been received in objection to these proposals. Whilst not obliged to set a revised scheme, Cabinet is requested to consider the representations received and determine whether to progress the published scheme for implementation or approve a modified (alternative) scheme for implementation on a date to be determined (but no later than 1st May 2020). In view of the representations made, withdrawal of the proposals and reversion to the extant scheme is recommended whilst the scheme of hackney carriage fares is (re)considered in the round as part of a review of the Council's taxi licensing policy.

BACKGROUND DOCUMENTS:

- (a) UNiform file record 19/01221/TAXGEN
- (b) Rushmoor Borough Council Report No. OS1909 - Proposed Variation to scheme of hackney carriage fares, Cabinet, 16th December 2019.
- (c) Summary of representations received c/o Rushmoor Borough Council website at www.rushmoor.gov.uk/article/11888/Proposed-changes-to-hackney-carriage-fares

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