

<b>COMMITTEE</b>	<b>GENERAL LICENSING COMMITTEE</b>
<b>DATE:</b>	<b>5 December 2022</b>
<b>TITLE:</b>	<b>PUBLIC CONSULTATION ON THE MAXIMUM HACKNEY CARRIAGE TAXI FARES - FOR DECISION</b>
<b>PURPOSE:</b>	<b>TO APPROVE A PROPOSAL TO INCREASE THE MAXIMUM TAXI FARES AND CONSIDER REPRESENTATION FOLLOWING PUBLIC CONSULTATION ON RAISING THE MAXIMUM FARES</b>
<b>AUTHOR:</b>	<b>HEAD OF ENVIRONMENT DEPARTMENT</b>

## **1.0 BACKGROUND INFORMATION**

- 1.1 The Local Government (Miscellaneous Provisions) Act 1976 places regulation duties on the Licensing Authority in relation to operating a maximum fare the public can be charged when travelling in hackney vehicles within the County. The Act allows the provision of a table of fares, and this along with the statutory requirement to use a taxi meter, allows a mechanism to regulate the fares charged and to protect public interests.
- 1.2 It is required that any request to change the maximum fare charged is submitted by the industry. You will recall from the previous report submitted to this Committee on 24 October 2022 (see appendix), that 5 applications have been received from the industry to review the maximum fares that can be charged for journeys in hackney vehicles.
- 1.3 The maximum fare is not relevant to journeys in private hire vehicles booked in advance.
- 1.4 A successful application to increase the maximum fare was received in 2019, after 9 years where the maximum fare remained the same, and there has been no change since then. See Appendix 1 for a table of the current maximum fares. The maximum fares were increased for the first two miles of a taxi journey from £5 to £6 in 2019; which is a substantial increase that reflected the average inflation costs for the period. Other costs such as fuel costs had remained fairly stable over the same period.

## **2 FACTORS THAT AFFECT THE COSTS OF TAXI BUSINESSES**

- 2.1 Many factors such as an increase in fuel costs, inflation, interest rates and a general increase in the cost of living, have created an unprecedented situation for all in recent times. Taxi companies are finding it very difficult, particularly after the incredibly difficult time experienced by businesses during the Covid pandemic lockdown periods.

## **3. THE INDUSTRY'S PROPOSAL FOR THE NEW MAXIMUM FARE FOR HACKNEY VEHICLE JOURNEYS**

- 3.1 Many councils have recently been receiving specific proposals from the taxi industry to review and increase the maximum fare in various ways. There is a specific maximum rate for different elements; including a rate for a 1 mile journey and a general rate where a journey is 2 miles or more. The maximum fare that is currently implemented for journeys in hackney vehicles in the six counties of north Wales can be seen in the table below and it is noted if the maximum fares have been the subject of recent review.

**Table - an equivalent fare for a 2 mile journey**

	Current Gwynedd	The current average for the six counties	Anglesey	Conwy	Flintshire	Denbigh-shire	Wrexham
	£6.00	<b>£5.97</b>	£5.80	£6.60	£5.80	£6.00	£5.60
Review year	2019		2017	2022 Increase	2022 Remain the same	2022 Increase	2011

- 3.2 Many of the companies who submitted initial proposals, applied to increase the maximum fare for the first mile from £3.60 to £4.00. This proposal is understandable, as the costs of a vehicle and driver are higher for short journeys.
- 3.3 People who use taxis during the day for short journeys are more likely to be unable to use other modes of travel, and are more likely to be elderly or vulnerable. The opinion of the Licensing Authority is that increasing the maximum fare for short journeys during the day will have a negative impact on the population that is more likely to be deprived, and therefore will be impacted most by the current cost of living crisis.
- 3.6 With inflation and the cost of living so incredibly high at the moment, there is a need to consider alternative options to increasing the maximum fare so that we evaluate the impact of the existing situation on everyone, and to seek to be fair with the taxi industry and also taxi users.
- 3.5 Proposals were made to increase specific elements of the prices, based on some suggestions made by the industry, namely -
- increasing the price of taxi journeys after midnight
  - costs of transporting additional bags/cases
  - costs of cleaning a taxi when customers soiled the vehicle
  - introducing a higher tariff for journeys where there are between 5 and 8 passengers in a mini bus due to the additional costs of running a mini bus taxi; and these are usually 'optional' journeys.
- See the appendix to this report for full details of the proposals submitted.
- 3.4 It is important to note that a taxi company does not have to charge the maximum fare for hackney vehicle journeys. Many companies choose not to do so, and charge lower fares that are in accordance with what is considered to be a competitive rate.
4. **THE DECISION OF THE GENERAL LICENSING COMMITTEE ON 24 OCTOBER 2022**
- 4.1 Having considered all factors that are important in the current economic context - the members of this Committee decided to accept the proposals to increase prices for the purposes of the public consultation, in line with the recommendation, namely -
- Keep the maximum fare for a one mile journey and a journey of two miles or more the same - because the fare currently charged is around the average when comparing with other Councils in north Wales, and increasing the basic rates for short journeys would disadvantage the most vulnerable in our society.

- Increase the maximum cost for transporting additional bags in the vehicle's boot from 30p per item to 50p per item.
- Increase the cost of cleaning valet from £45 to £120 to reflect current professional cleaning costs, and the time when the vehicle is not available for hire.
- Increase the cost rate to hire a taxi between 00:00 and 07:00 from 50% higher than the basic rate to 60% higher than the basic rate, from £4.50 to £4.80 per mile.
- Create a new tariff for journeys in a mini bus where there are between 5 and 8 passengers - to £6.60 for a journey of more than two miles.

**A table comparing the proposed amendments with the current situation**

Relevant maximum fare	Current rates	Recommendation
Where the journey is less than a mile	£3.60	No change
Where the journey is more than a mile, for the first mile	£3.00	No change
Create an additional tariff for journeys in a mini bus where there are between 5 and 8 passengers	£3.00	£3.30
Maximum cost for transporting additional bags in the vehicle's boot	30p	50p
Maximum cost of professional valet cleaning	£45	£120
For hiring the vehicle between midnight and 7:00am any day or at any time on a Bank Holiday, except for Christmas Day and New Year's Day.	50% in addition to the basic rate £4.50	60% in addition to the basic rate £4.80

## 5. THE RESULT OF THE CONSULTATION

- 5.1 In line with statutory arrangements, a consultation was undertaken on the above proposal for 14 days in a local paper; and the intention is for the new maximum fare to become operational from the date when the notice expires. Correspondence was also sent to the taxi industry before the consultation commenced.
- 5.2 The consultation ended on 17 November, and 5 objections were received with representations from industry representatives. Please see copies of the representations received in the appendix to the report.
- 5.3 As an objection to the proposal was received during the consultation period, the proposal has been referred back to you for careful consideration, before a final decision is made.
- 5.4 The representations and the grounds for objection varied, but in general, the following was objections were raised -
- Objection to creating a different 'tariff' for journeys in a mini bus with between 5 and 8 passengers
  - That licence costs and the restrictions on the maximum fare for a journey in a hackney vehicle meant that taxi drivers worked for less than the national minimum wage if they relied on short, local journeys to earn a living - without increasing the maximum fare for the first two miles

## RECOMMENDATION

That the Committee considers the objections received, and makes a final decision based on those considerations.