

COMMITTEE	GENERAL LICENSING COMMITTEE
DATE:	22 JUNE 2026
TITLE:	HACKNEY CARRIAGE TAXI FARES
PURPOSE:	APPROVE A PROPOSAL BY THE INDUSTRY TO INCREASE THE MAXIMUM FARES
AUTHOR:	HEAD OF ENVIRONMENT DEPARTMENT

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 mandates the provision of a fare chart, 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. Three requests were recently received from Mr Chris O'Neal and Mr Mark Davies and Mr Mark Dunning who are taxi company owners - to review the fares. A detailed proposal was sent by Mr Chris O'Neal only, and he submitted the proposal on behalf of the Network Cars company. See the appendix to this report for full copies of the proposals and the correspondence received from the industry.
- 1.3 The maximum fare is not relevant to journeys in private hire vehicles that have been pre-booked.
- 1.4 A successful application to increase the maximum fare was received in 2019, and later in 2022, 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 over the period. There has been no increase in the standard rate of the first and second mile of a journey since then.
- 1.5 This Committee agreed to increase other supplementary rates in 2022 instead of increasing the standard 1 and 2-mile rate as follows -

Table 1 - APPROVED INCREASE IN TAXI PRICES 2022
Keep the maximum fare for a one-mile journey and a journey of two miles (or more) the same. The fare charged at the time was around the average when compared with other Councils in north Wales, and increasing the basic rates for short journeys would disadvantage those most in need in 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 valeting from £45 to £120 to reflect current professional cleaning charges, and the time when the vehicle is not available for hire.
Increase the taxi hire rate between 00:00 and 07:00 by 50% higher than the basic rate to 60% higher than the basic rate of £4.50 to £4.80 per mile.
Create a new tariff for journeys in a minibus where there are between 5 and 8 passengers - to £6.60 for a journey of more than two miles.

2 FACTORS THAT AFFECT THE COSTS OF TAXI BUSINESSES

- 2.1 Small and medium-sized businesses who employ workers have faced an increase in costs such as national insurance and an increase in the minimum salary rate over recent years - and this has undermined the ability of small businesses such as taxi companies to make a profit.
- 2.2 The country's economic situation over the last few months has seen a significant increase in fuel costs, particularly Diesel due to the war in Iran. The projections state that fuel costs will not fall in the near future and there is another significant increase on the horizon in gas and electricity costs that will affect everyone.
- 2.3 Note that the inflation rate continues to be higher than the Government's 2% target. Although the inflation rate has fallen recently; the increase in fuel costs and geopolitical factors in the Middle East mean that inflation and basic food costs are likely to increase over the coming months.
- 2.4 The costs of appropriate insurance cover for licensed vehicles are high and of course there are annual costs attached to licensing a taxi vehicle and costs involved every three years with drivers' licences.

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 operated for journeys in hackney vehicles across nearby counties can be seen in the table below, and maximum fares have been the subject of a recent review have been noted.

Table 2 – the current equivalent fare for a 1-mile journey

	Current Gwynedd	Anglesey	Conwy	Powys	Denbighshire	Ceredigion
	£3.60	£3.50	£4.00	£4.00	£4.00	£3.50
Review year	2022	2017	2022 Increase	2022 Remained the same	Recommendation	Consultation on the recommendation to increase to £4.00

- 3.3 Generally across Wales - the most rural counties charge between £3 and £4 for the first mile, with some Urban counties in the South charging between £5 and £6. Note that the majority of counties charge between £4 and £5 for the first mile
- 3.4 Several of the companies who have submitted a proposal to increase the maximum fare propose an increase in the rate for the first mile from £3.60 to £4.00. Several individuals in the industry requested an increase the rate of the first mile in 2022, but due to a concern that vulnerable individuals were likely to rely on short local journeys in taxis, it was decided to increase other rates as noted above in table 1. The

proposal to charge more for short journeys is understandable, because the costs associated with a vehicle and driver are higher for shorter journeys.

- 3.3 People who use taxis during the day for short journeys are more likely to be unable to use other modes of transport and are more likely to be elderly or vulnerable. It is important to be very careful when weighing up the benefits of increasing taxi fares for the industry, against the disadvantages that arise when introducing measures that are likely to have an impact on a cohort of society that are most affected by an increase in the cost of living.
- 3.4 The taxi companies make the point that minimum wage rates have increased, as well as the costs of vehicle maintenance. It is noted that costs are no longer recovered by charging £3.60 for the first mile, and one company is requesting to increase the rate for the second mile in a hackney vehicle taxi and the subsequent miles.
- 3.5 One company notes that taxi companies in rural areas will not be able to survive without permission to charge more for taxi journeys. Fewer taxi companies in a rural area where taxi provision is already scarce will create more inequalities in terms of access to services for the most vulnerable people in our society.
- 3.6 Some who have submitted proposals from the industry also suggest that we should look carefully at the maximum fares in relation to changing the late-night tariff periods, starting the late tariff earlier in the night, as many journeys associated with the late-night economy are by choice.
- 3.7 It is important to note that taxi companies are not required 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 LICENSING AUTHORITY'S PROPOSAL

- 4.1 Having considered all the factors that are important in the existing economic context - it is proposed that the fares are increased as follows -
 - Increase the maximum fare for a 1-mile journey from £3.60 to £4.00 to be consistent with several other councils so as to address the increase in the costs of running a taxi.
 - Increase the operational hours of the late-night tariff to be operational between 21:00pm and 07:00am, instead of being operational from 00:00 midnight.
 - Reduce the rate of late-night journeys from being 60% higher than the basic rate back to being 50% higher than the basic rate to correspond generally with other councils.

Table 3 – comparison of the proposed changes with the current situation

Relevant maximum fare	Current rates since 2022	2026 Recommendation
Where the journey is less than a mile	£3.60	£4.00
Where the journey is more than a mile, for the first mile	£3.00	No change
Create an additional tariff for journeys in a minibus where there are between 5 and 8 passengers	£3.30	£3.30
Maximum cost for transporting additional bags in the vehicle's boot	50p	50p
Maximum cost of professional valet cleaning	£120	£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.	60% in addition to the basic rate £4.80	50% in addition to the basic rate £4.50, but the rate to be operational from 9pm instead of midnight

5. CONSULTATION WITH THE INDUSTRY

- 4.1 If this Committee accepts the recommendation, we will hold a consultation on the proposal for 14 days in a local newspaper, with the intention of implementing the new maximum fare from the end date of the notice.
- 4.2 If any objections to the proposal are received during the consultation period, the recommendation will be referred back to this Committee to consider the basis of the objection, and it will not be implemented until a final decision is made by the Committee.

RECOMMENDATION

That the Committee approves the proposal to increase the maximum fare in accordance with the recommendations; or approve other options to increase the maximum fare, for journeys in the County's licenced hackney vehicles.