



LICENSING COMMITTEE

Monday 25 January 2021

HACKNEY CARRIAGE FARES IN EAST SUFFOLK

EXECUTIVE SUMMARY

1. This report provides an overview of current Hackney Carriage fares in East Suffolk. There are currently 2 tariff tables operating in East Suffolk; one in the North of the district (the former Waveney District Council area) and one in the South of the district (the former Suffolk Coastal District Council area).

Members are asked to agree to consult with the trade as to:

- i) whether to leave the existing 2 tariff table arrangement in place or to adopt one tariff table for the whole of the district;
- ii) if one tariff table is to be adopted, whether the one tariff table should be the current tariff table in the North, the current tariff table in the South or a new tariff table with tariffs possibly set at the mid-point between the 2 tariff tables where there is a difference; and
- iii) whether it should be left to the trade, which is the current custom and practice in East Suffolk, to trigger fare reviews when they consider that an increase is appropriate and that the market can sustain an increase without demand for taxis being adversely affected; or alternatively moving to a system whereby the licensing authority periodically reviews licensing fares and consults on revised fare tables with proposed fares increased in line with the Retail Price Index (RPI).

Is the report Open or Exempt?	Open
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Wards Affected:	All
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Cabinet Member:	Councillor Mary Rudd – Cabinet Member for Community Health
Supporting Officer:	Chris Bing Legal and Licensing Services Manager 01394 444408 chris.bing@eastsuffolk.gov.uk

1 INTRODUCTION

- 1.1 There are currently 2 hackney carriage tariff tables in operation in the East Suffolk Council district. This is a legacy of the East Suffolk Council district area, prior to the creation of East Suffolk Council on 1 April 2019, being split between Waveney District Council in the North of the district and Suffolk Coastal District Council in the South of the district; with each council having its own hackney carriage tariff table.
- 1.2 The existing arrangement with the 2 tariff tables is lawful and was provided for in the transitional Orders creating the new East Suffolk Council.
- 1.3 To date Licensing Services has conducted tariff/fares reviews when these have been triggered by the trade.
- 1.4 Members are asked to consider consulting the trade as to:
 - 1.4.1 whether the existing 2 hackney carriage tariff tables in East Suffolk arrangement is appropriate/desirable;
 - 1.4.2 whether it would be preferable to have a single tariff table for the whole of East Suffolk and, if so, whether one or other of the existing tariff tables should be adopted for the whole of East Suffolk or whether to create and consult on a new third tariff table which could, for example, sets the tariff at the mid-point between the 2 tariff tables where the existing tariffs, North and South, are not the same; and
 - 1.4.3 whether the licensing authority should introduce fixed periodic reviews of hackney carriage tariffs or whether to leave it to the trade to trigger reviews when they consider that drivers need, and the market/travelling public can withstand, a fare increase.

2 THE EXISTING ARRANGEMENTS

- 2.1 East Suffolk Council currently has two tariff tables in operation in the district; one in the North of the district and one in the South of the district.

The North of the district

- 2.1.1 The current tariff table for the North of the district is at Appendix 1 of this report.
- 2.1.2 The tariff table in the North of the district was last revised in September 2012,

The South of the district

- 2.1.3 The current tariff table for the South of the district is at Appendix 2 of this report.
- 2.1.4 The tariff table in the South of the district was last revised, after statutory consultation, in November 2020, after Licensing Committee agreed the trade's request for a fare increase in October 2020. Prior to this revision, the tariffs had last been increased in June 2012.

Comparison of the fares in the North and South of the district

- 2.2 The table below provides a comparison in the tariff tables in North and South of the district over distance from half a mile to 15 miles.

<i>Distance</i>	<i>North</i>	<i>South</i>	<i>Difference</i>
1/2 mile	£3.00	£3.60	North £0.60 cheaper
1 mile	£4.20	£4.60	North £0.40 cheaper
2 miles	£6.60	£6.20	North £0.40 more expensive

5 miles	£13.80	£11.00	North £2.80 more expensive
10 miles	£25.80	£19.00	North £6.80 more expensive
15 miles	£37.80	£27.00	North £10.80 more expensive

2.2.1 The fare table sets out the maximum fares that can be charged for a journey. Hackney Carriage operators and drivers, both North and South, have the discretion to charge less than the maximum fare, and the licensing authority is aware that some do. However, they cannot charge more than the maximum fare.

2.2.2 For journeys of 1 mile or less, the maximum fare is cheaper in the North. Whereas, for journeys of 2 miles or more, the maximum fare is more expensive in the North.

Triggers for a tariff/fares review

2.3 At East Suffolk Council, a custom and practice adopted from the previous Waveney District Council and Suffolk Coastal District Council, has been for the licensing authority to await the trade exercising its statutory right to trigger a review of fares and propose a revised fare table for the licensing authority to approve and impose, if no objections are received after carrying out a statutory consultation exercise.

2.3.1 An alternative approach would be for the licensing authority to timetable periodic reviews of fares every year, every 2 years, every 3 years or after any other fixed number of years.

2.3.2 The setting of fares is not an exact science. However, it is to be expected that, in common with other goods and services, there will be a price point at which demand for taxis will fall if maximum fares are set at a higher level than a significant number of people who use, or rely on, taxis can afford, or are prepared to pay.

2.3.3 To date, the licensing authority has considered that the trade is best placed to consider both when a fare increase is needed to maintain or increase operators' and drivers' income and the level of fare increase the public/market can withstand without significantly reducing the level of demand for taxis. Arbitrary fare increases by the licensing authority every year or so may not be welcomed by the trade, or the travelling public, if the fare increase has the effect of decreasing demand for taxis and so reducing income for operators and drivers by making taxis unaffordable for a significant element of the travelling public. If Licensing Committee wishes there to be fixed reviews of fares, it is suggested that the Retail Price Index (RPI) be used as the basis for any revised fares table, which is the principle adopted in setting the Council's fees and charges each year.

2.4 COMPLAINTS

2.4.1 The licensing authority has received no complaints from the trade or the travelling public about the existing 2 tariff table structure in East Suffolk. There appears to be an acceptance that what you pay for a taxi journey depends on where you live, how far you are travelling and when you are travelling.

2.5 ADMINISTRATION FOLLOWING FARE/TARIFF INCREASE

2.5.1 Each time fares/tariffs change, drivers/operators have to pay a meter agent to recalibrate the taximeter(s) in their vehicle(s), at a cost of around £60 per vehicle.

2.5.2 Once the taximeter in a vehicle has been recalibrated, a Licensing Officer has to be transported in the vehicle for a measured mile to ensure the meter clicks over at the correct spot/distance throughout the mile. If the meter has been recalibrated incorrectly, the vehicle has to be recalibrated again by the meter agent and then tested again by the Licensing

Officer. Once the Licensing Officer is satisfied that the meter has been recalibrated correctly, the officer seals the meter.

- 2.5.3 There are Recently, the calibration of 23 taximeters in hackney carriage vehicles took 3 Licensing Officers nearly a day to complete. The last time we calibrated all the hackney carriage taximeters in Lowestoft it took 3 officers over 3 days to test and seal the taximeters.

3 TARIFF/FARE COMPARATORS

- 3.1 The Private Hire and Taxi Monthly magazine publishes a monthly table of the cost of a 2 miles hackney carriage journey on Tariff 1 in all 363 local authority areas in the UK. The results for East Suffolk (North) and East Suffolk (South) have been extracted and listed in the table below together with neighbouring and nearby authorities to provide comparators. The full local authorities table for December 2020 can be viewed here - [Hackney Taxi Fare Tables \(phtm.co.uk\)](http://phtm.co.uk).

Ranking	Authority	Tariff/fare for 2 miles journey
39	Colchester	£6.80
63	Cambridge City	£6.60
65	East Suffolk (North)	£6.60
72	Norwich	£6.60
92	Ipswich	£6.40
96	Mid Suffolk	£6.40
106	Tendring	£6.40
128	East Cambridgeshire	£6.20
129	East Suffolk (South)	£6.20
173	Great Yarmouth	£6.00
198	Babergh	£5.90
233	West Suffolk	£5.80

4 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN 2020-2024?

- 4.1 Licensing plays an important role in the themes in the Council's Strategic Plan of growing our economy and enabling our communities. Hackney carriage vehicles are a key part of the public transport system, enabling people without their own private transport or without easy access to other means of public transport to travel for education,

employment, and entertainment, to shop and to attend medical appointments or deliver/receive care.

5 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 5.1 Section 65 of Local Government (Miscellaneous Provisions) Act 1976 gives Local Authorities the power to set and vary fares for hackney carriages.
- 5.2 Section 55 of the Town Police Clauses Act 1847 prohibits a driver from charging more than the set fare, but they can charge less.
- 5.3 If the Council proposes to make any changes to existing fares, it must publish a notice in a local newspaper setting out the proposed variation. The notice must specify a date (not less than 14 days from publication), and manner by which any objections should be made and if no objections are received then the new fares will come into force on the date specified. Licensing Committee must consider any objections that have been made and which have not been withdrawn.

6 CONSULTATION

- 6.1 The trade would need to be formally consulted on any proposal to change tariffs or to introduce one tariff table. Any objections to a change in tariffs would need to be considered by Licensing Committee before the new tariff/fares table(s) could come into force.

7 REASON FOR RECOMMENDATIONS

- 7.1 To ensure the licensing authority's tariffs/fares structure and process for triggering reviews of taxi tariffs/fares in East Suffolk is appropriate and practical.

RECOMMENDATIONS

Members are asked to agree to Licensing Services consulting with the hackney carriage trade as to:

- 1. whether to leave the existing 2 tariff table arrangement in place or to adopt one tariff table for the whole of the district in East Suffolk;
- 2. if one tariff table is to be adopted, whether the one tariff table should be the current tariff table in the North, the current tariff table in the South or a new tariff table with tariffs possibly set at the mid-point between the 2 tariff tables where there is a difference; and
- 3. whether it should be left to the trade, which is the current custom and practice in East Suffolk, to trigger fare reviews when they consider that an increase is appropriate and that the market can sustain an increase without demand for taxis being adversely affected; or alternatively moving to a system whereby the licensing authority periodically reviews licensing fares and consults on revised fare tables with proposed fares increased in line with the Retail Price Index (RPI).

APPENDICES	
Appendix A	The tariff/fares table in the North of the district
Appendix B	The tariff/fares tables in the South of the district

BACKGROUND PAPERS Please note that copies of background papers have not been published on the Council's website www.eastsuffolk.gov.uk but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.		
Date	Type	Available From
	None	