



## LICENSING COMMITTEE

Monday, 19 April 2021

<b>Subject</b>	<b>REVIEW OF THE STRUCTURE AND SETTING OF HACKNEY CARRIAGE FARES IN EAST SUFFOLK</b>
<b>Report by</b>	Councillor Mary Rudd – Cabinet Member with responsibility for Community Health
<b>Supporting Officer</b>	Chris Bing Legal and Licensing Services Manager 01394 444408 <a href="mailto:chris.bing@eastsoffolk.gov.uk">chris.bing@eastsoffolk.gov.uk</a>

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	Not applicable.
<b>Wards Affected:</b>	All Wards .

## Purpose and high-level overview

### **Purpose of Report:**

To report to Licensing Committee the outcome of the recent consultation exercise on the options for the structuring and setting of Hackney Carriage tariffs in East Suffolk and to agree future arrangements.

### **Options:**

#### 1) Tariff tables

Should the existing arrangement of 2 separate tariff tables (one for the North of the district and one for the South of the district) continue or should there be one tariff table for the whole of the East Suffolk Council district?

#### 2) Tariff timings

If there is to be one tariff table for the whole of the district, what should the timings be for the different tariffs?

#### 3) Tariff reviews

Should the existing custom and practice for tariff reviews continue, whereby the trade proposes a new tariff table for the licensing authority to approve and consult on as and when they consider that an increase is appropriate or necessary? Or, should Licensing Committee increase fares, in line with the Retail Price Index, on an agreed periodic basis?

### **Recommendation/s:**

That the Committee:

- 1) agrees to continue with the existing arrangement of having 2 tariff tables in the East Suffolk district; 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)
- 2) agrees to continue with the different timings for tariffs in the existing North and South tariff tables
- 3) agrees to continue with the existing custom and practice of the trade proposing a new tariff table for the licensing authority to approve and formally consult on as and when they consider that an increase is appropriate or necessary

**Governance:**

Licensing is a Council function exercised by Licensing Committee and Licensing Sub-Committees.

The existing tariff table arrangement, with the 2 tariff tables in the one district, is lawful and was provided for in the transitional Orders creating the new East Suffolk Council.

**ESC policies and strategies that directly apply to the proposal:**

Taxi and private hire licensing policy

**Environmental:**

No impact

**Equalities and Diversity:**

No impact

**Financial:**

The Council's finances are not affected by the level of taxi tariffs. The licensing authority sets taxi tariffs but does not generate income from taxi tariffs.

**Human Resources:**

No impact

**ICT:**

No impact

**Legal:**

Section 65 of Local Government (Miscellaneous Provisions) Act 1976 gives Local Authorities the power to set and vary fares for hackney carriages.

Section 55 of the Town Police Clauses Act 1847 prohibits a driver from charging more than the set fare, but they can charge less.

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.

**Risk:**

Hackney carriage drivers and operators need fares to be set at a level where it is profitable and sustainable for them to provide their service in the face of increasing costs. However, demand for and the accessibility of taxis in the district 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.

**External Consultees:**

200 hackney carriage drivers and 76 private hire operators were consulted and given the opportunity to comment on the options committee is considering. 34 written responses were received

during the consultation period (Appendix D).

## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>			
<p>Licensing plays an important role in the themes in the Council's Strategic Plan of growing our economy and enabling our communities. Hackney carriage and private hire 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, holidays, entertainment, to shop and to attend medical</p>			

appointments or deliver/receive care.

## Background and Justification for Recommendation

### 1 Background facts

1.1	On 25 January 2021, Licensing Committee resolved to consult with hackney carriage drivers, and private hire operators, on the structure and setting of hackney carriage fares in East Suffolk.
1.2	The consultation exercise ran between 9 February 2021 and 10 March 2021. 200 hackney carriage drivers and 74 operators were consulted and asked for their feedback on tariff tables, tariff timings and tariff reviews. 34 consultation responses were received from hackney carriage drivers and private hire operators.

### 2 Current position

2.1	<p>There are currently 2 hackney carriage tariff tables in operation 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). The Tariffs in each tariff table are set at different rates and apply at different times.</p> <p>Both North and South have a Tariff 1 (daytime and early evening tariff) and a Tariff 2 (late evening and through the night tariff). North also has a Tariff 3 (Christmas and New Year tariff).</p>
2.2	It is unusual for a district council to have 2 tariff tables in its district. There is usually only 1 tariff table in force in a Council's geographical area. However, the existing 2 tariff tables arrangement in East Suffolk is lawful and was provided for in the transitional Orders creating the new East Suffolk Council on 1 April 2019.
2.3	The current tariff table for the North of the district is at Appendix A of the report.
2.4	The current tariff table for the South of the district is at Appendix B of the report.
2.5	As a comparator, a single East Suffolk tariff table (for the whole of the district) was drafted to be consulted upon as well, with tariffs and times set in between the current North and South tariff tables. The draft East Suffolk tariff table is at Appendix C.
2.6	It was custom and practice at both Suffolk Coastal District Council and Waveney District Council to leave it to drivers and operators to trigger reviews of tariff tables. The tariff table in the North of the district was last revised in September 2012. The tariff table in the South of the district was last revised in

	November 2020 (after Licensing Committee agreed the trade’s request for a fare increase in October 2020). Prior to the 2020 increase, the tariff table in the South had not been changed since June 2012.
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### 3 How to address current situation

3.1	A summary of the consultation responses on tariff tables, tariff timings and tariff reviews, together with copies of the full 34 responses received are at Appendix D of the report. Addresses, contact details and consultees’ signatures have been redacted from the responses pursuant to Data Protection Act 2018/GDPR requirements.
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3.2	<p><u>Tariff tables</u></p> <p>A significant majority of consultees who responded to the consultation exercise, 27 of the 34, favoured keeping the status quo of 2 tariff tables – 1 for the North of the district (the former WDC area) and 1 for the South of the district (the former SCDC area).</p> <p>Consultees reasons for wishing to keep the existing 2 tariff tables structure included:</p> <ul style="list-style-type: none"> <li>• That the current structure is working and is not generating complaints</li> <li>• That customers say that the prices currently are fair</li> <li>• Neither an increase nor a decrease in tariffs at present would be welcomed</li> <li>• That East Suffolk Council covers a large geographical area and the ‘North’ and ‘South’ areas of the district have different demographics, needs and customers and the 2 separate tariff tables reflect that.</li> <li>• That any increase in fares would be a mistake in the current climate</li> <li>• That any decrease in fares could cause drivers to leave the taxi trade for other employment which could result in difficulties meeting the demand for taxis.</li> <li>• That passengers in the South have recently (November 2020) experienced a fare increase and a further increase would not be well received at this time.</li> <li>• That a move to the East Suffolk table (Appendix C) would cause drivers financial hardship at a time when the trade has been severely adversely affected by the Covid pandemic, especially in the face of the increasing costs incurred in licensing and insuring a vehicle.</li> <li>• The North has not triggered a tariff review since 2012 because the trade has been content with the tariff table.</li> <li>• Night drivers are prepared to work anti-social hours for the incentive of the higher tariff (Tariff 2). Reducing Tariff 2 in the North would reduce the incentive for drivers to work nights and lead to unmet demand.</li> <li>• If tariff changes make Hackney carriages less profitable, it could encourage drivers and businesses to move away from hackney carriages to private hire resulting in very few Hackney Carriages being</li> </ul>
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	<p>available to the public.</p> <ul style="list-style-type: none"> <li>• That costs would be incurred in having the meter changed for any new tariff.</li> <li>• The one East Suffolk tariff table would have no benefit for the North and would cause severe disruption to the trade for drivers, taxi businesses and ultimately customers.</li> <li>• The North has a far larger number of hackney carriage drivers than the South and so if there was to be one East Suffolk tariff table, the wishes of the North area would carry more weight and the South might be forced to use a tariff table that would be detrimental to both the licence holders and their customers.</li> <li>• The hackneys in the Felixstowe area have a much smaller area of operation than the North. A fair proportion of daytime journeys in Felixstowe are less than 880 yards. Felixstowe hackney drivers generally only operate in and accept calls from no further away than Nacton, Bucklesham and Waldringfield, unless picking up a return fare for a Felixstowe customer.</li> <li>• If the Council was to create one East Suffolk tariff it would be solely for the benefit of the Council and the East Suffolk 2020-24 Business Plan, not the trade.</li> </ul> <p>6 of the 34 consultees who responded favoured one single East Suffolk tariff table for the whole of the district (Appendix C) to simplify the tariff structure across the district and potentially reduce administration costs/fees.</p> <p>Any decision by Licensing Committee to move to one tariff table would be subject to no objections being received during a 14 day formal consultation period.</p>
3.3	<p><u>Tariff timings</u></p> <p>The response to this question was not always specifically addressed by consultees.</p> <p>Of those that did make submissions on timings, the majority were content with the existing timings for the different tariffs, although 5 consultees did suggest that Tariff 2 could start slightly earlier in the evening. Tariff 2 currently starts at 23:00 in the North and 22:30 in the South. One consultee suggested that starting Tariff 2 at 22:00 could ease the current pressure point in the North whereby 23:00 is the time Tariff 2 starts and the time most pubs close.</p> <p>However, as the tariff timings are set down in the tariff tables and as a significant majority of consultees opted to keep the existing tariff tables, the recommendation is that the timings in the existing tariff tables remain as they are at present.</p> <p>Any decision by Licensing Committee to change timings to either tariff table would be subject to no objections being received during a 14 day formal consultation period.</p>

3.4	<p><u>Tariff reviews</u></p> <p>The consensus amongst consultees who responded was that the trade should continue to trigger reviews, rather than the Council starting to do this on a periodic basis, because it was considered the trade is best placed to determine when an increase is appropriate/necessary because they understand their customers and drivers' needs.</p>
3.5	<p><u>Other matters raised</u></p> <p>One consultee objected to some drivers/companies offering fixed fares or discounting tariffs to win business because it makes it difficult for other drivers/companies to compete. However, this business model is perfectly lawful. The Council can only set the maximum fare which drivers/companies are free to discount if they so wish. Drivers/companies are free to charge passengers less, but cannot charge passengers more, than the maximum fare set by Licensing Committee.</p> <p>Several consultees felt the charge hirers must pay in the event they soil a vehicle should be increased. The soiling charge which is payable by hirers when a vehicle requires to be cleaned after their occupancy because, for example, a passenger has vomited in the vehicle, is currently £40 in the North and £75 in the South. One consultee thought the soiling charge should be raised to £150 to cover the cost of valeting the vehicle and the loss of trade whilst the vehicle is being cleaned. Another consultee thought the soiling charge in the North should be raised from the current £40 to the £75 charged in the South.</p> <p>Any decision by Licensing Committee to change the soiling charge in either tariff table would be subject to no objections being received during a 14 day formal consultation period.</p>

## 4 Reason/s for recommendation

4.1	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.
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## Appendices

### Appendices:

<b>Appendix A</b>	Existing North tariff table
<b>Appendix B</b>	Existing South tariff table
<b>Appendix C</b>	Draft East Suffolk tariff table
<b>Appendix D</b>	Consultation responses
<b>Appendix E</b>	Tariffs comparison

### Background reference papers:

Date	Type	Available From
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25 January 2021	Licensing Committee report – Hackney Carriage Fares in East Suffolk	<a href="#">CMIS &gt; Meetings</a>
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