

**REVIEW OF TAXI TABLE OF FARES (TAXI TARIFF)**

Taxi Licensing Committee



Date: 28 October 2021

Title of Report: **Review of Taxi Table of Fares (Taxi Tariff)**

Lead Member: Councillor John Riley (Cabinet Member for Governance, Human Resources, IT and Community Safety)

Lead Strategic Director: Ruth Harrell Director of Public Health

Author: Graham Hooper

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Your Reference: ERS/LIC/GH/Oct 28 Tariff

Key Decision: No

Confidentiality: Part I - Official

**Purpose of Report**

For Members of the Committee to consider the review of the Taxi Table of Fares (Taxi Tariff) and to determine whether to accept the proposal detailed in the following report and send the proposal out to consultation as set out in the prescribed process under Section 23 of the Plymouth City Council Act 1975.

**Recommendations and Reasons**

It is recommended that members consider the information contained in this report and

1. Approve, amend or reject if necessary, the proposed tariff and extra charges set out in Appendix 2 to this report, as proposed by Officers, for the reasons given in this report.
2. Resolve to authorise the advertising of the tariff set out in Appendix 2, as required by the Plymouth City Council Act 1975, and to allow the tariff to come into effect four weeks after the period allowed for objections should no objections be received.
3. Consider directing Officers to undertake the exploration, development and adoption of a policy and associated formula for setting future taxi fares (tariff), in Plymouth.

**Alternative options considered and rejected**

None

**Relevance to the Corporate Plan and/or the Plymouth Plan**

This report links to the delivery of the City and Council priorities. In particular:

**Unlocking the Cities Potential:**

By ensuring Plymouth: is a clean and tidy city and a green and sustainable city that cares for its environment; has a wide range of homes; has a vibrant economy offering quality jobs and skills; is an exciting, cultural and creative city and has a varied, efficient and sustainable transport network.

**Caring for People and Communities:**

By ensuring Plymouth is a friendly, welcoming city, reducing health inequalities, making sure people feel safe in the city, focusing on prevention and early intervention, protecting children, young people and adults and improving schools and ensuring pupils achieve better outcomes.

**Implications for the Medium Term Financial Plan and Resource Implications:**

Not Applicable

**Financial Risks**

There are no financial risks to the Council by increasing the Taxi Tariff

**Carbon Footprint (Environmental) Implications:**

Not Applicable

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

**Appendices**

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Briefing report (mandatory)	x						
B	Equalities Impact Assessment (mandatory)	x						

**Background papers:**

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

**Sign off:**

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Originating Senior Leadership Team member: Rob Nelder

Please confirm the Strategic Director(s) has agreed the report? Yes, Approved by email Ruth Harrell

Date agreed: 20/10/2021

Cabinet Member approval: Councillor John Riley (Cabinet Member for Governance, Human Resources, IT and Community Safety)

Approved verbally

Date approved: 08/10/2021

## Report

The report provides details of the review and proposed fare increase in relation to Hackney Carriage fares.

### 1.0 Background

- 1.1 The common term for Hackney Carriages is Taxis and this term is used throughout this report. A customer can flag down a taxi in the street or at taxi ranks without booking unlike private hire vehicles that must always be booked in advance of the journey.
- 1.2 Under section 23 (1) of the Plymouth City Council Act 1975 (PCCA 1975), the Council is responsible for setting the maximum fares and other costs that drivers may charge a customer for using taxis in the City. **The Council does not have powers to set fares for journeys in private hire vehicles.** Members should note that drivers may charge a lower fare or offer a discount if they wish and negotiate fares for travel outside of the City boundaries.
- 1.3 Taxi fares are made up of an initial hiring charge (flag fall) and a mileage rate, both of which are expressed in terms of distance and or time. This is because when a hired taxi is stationary or moving slowly in traffic the meter continues charging by time instead of distance.
- 1.4 The Table of Fares (tariff) should be set to enable sustainable income for drivers, future investment in vehicles and to clearly set rates that minimise the opportunity for overcharging or confusion.
- 1.5 The tariff has to be displayed within all taxis to allow passengers to calculate the approximate cost of their journey. The PCCA 1975 requires taximeters to be fitted in every licensed vehicle. Once set, all drivers must display the maximum fare on their taximeter. This ensures consistency across all taxis and provides public confidence that the fare they are charged is correct.
- 1.6 In accordance with the statutory procedure set out in Section 23 of the PCCA 1975, the Council is required to undertake a public consultation prior to making any amendment to the tariff.

A notice must be published in at least one local newspaper circulating in the City setting out the variation and specifying the period, which cannot be less than fourteen days from the date of the first publication of the notice, within which and the manner in which objections can be made.

If no objection to the variation of the tariff, or if all objections are withdrawn, the revised Tariff will come into operation on the date of the expiration of the consultation period.

However, if any objections are made and not withdrawn, the Committee will consider the objections and set a further date, not later than two months after the first specified date, on which the tariff shall come into force with or without modifications.

### 2.0 Reason for the Review

- 2.1 The tariff was last reviewed in October 2017 and since then has remained at the present level.

Since the last review and over the following 4 years the Retail Price Index (RPI), which represents the change in the cost of living, has steadily risen. Similar to many other business sectors, the taxi trade is facing financial pressures in the current economic climate.

Other overheads, such as vehicle replacement, servicing and insurance are also significant cost factors for the trade.

In addition, the taxi trade continues to be greatly impacted by Covid -19. As restrictions have eased and most of the economy has opened up, it is hoped that the trade will continue to see an upward increase in taxi users, however what continues to remain unclear is the ongoing impact that the trade will experience financially moving forward.

- 2.2 In the July quarterly taxi trade liaison meeting, the Licensing Officers were notified by the Plymouth Licensed Taxi Association (PLTA) that a proposal for a new tariff, created by a long standing and experienced member of the taxi trade in Plymouth, Mr Chris Wildman, at the request of a number of licensed taxi drivers would be submitted. The PLTA advised that they endorsed this proposal and that a review of the current tariff was formally requested.
- 2.2 The proposed tariff is set out in Appendix 2 and the proposed changes have been summarised below.

### **3.0 Proposed Changes**

- 3.1 There are number of changes proposed to the tariff. Over the course of the review, this has generated extensive discussion between Licensing Officers, the proposer of the new tariff Mr Chris Wildman and the PLTA. The purpose of the discussions was to ensure that at any increase in charges made was carefully considered and justified and that a single proposed Tariff was put forward to members for consideration.
- 3.2 Proposal: Reduction of individual tariffs/tariff structure

The current tariff is set out in Appendix 1. It can be seen that the current tariff structure operated in the City comprises of five tariff levels. This was reduced from six during the 2017 review but is still considered complicated and not user friendly.

The proposed tariff is set out in Appendix 2. The current five-tariff structure is reduced to three, making it a much clearer structure to understand for both the trade and the travelling public.

Under the proposed tariff:

- Tariff 1 would run from 6 am to 7 pm and can be considered the day rate.
- Tariff 2 essentially covers the evening and night rate during the week, Sundays and bank holidays.
- Tariff 3 covers the Christmas and New Year holiday periods.

During the review the Licensing Officer explored reducing the tariff structure further to two tariff levels to create a day and night time rate as operated by a number of local authorities across the country. The purpose of this was to try to create a simplified structure for the public and one that would encourage more drivers to work during the evening and night-time economy (ENTE) hours. However, after fully exploring this option it was found that passengers would pay a prohibitive amount for the greater distance they travelled late at night and there would be no tangible increase to the amount of drivers working the ENTE hours. This option was therefore removed from any further consideration.

### 3.3 Proposal: Increase in flag fall (initial charge) and mileage rate

It is proposed that the initial charges (flag fall), for any distance up to 1/6 (tariff 1 & 3) and 1/7 (tariff 2) of a mile are increased by 30 pence on tariffs 1 and 2 and by 60 pence on tariff 3.

There is no proposal to increase the price per mile (running mile) across the three tariffs.

For members ease the table below compares the current tariff (as from October 2017) against the new proposed tariff. The figures have been rounded up and do not take into account waiting time or any extras that maybe charged.

Journey	Tariff 1		Tariff 2		Tariff 3	
	Current	Proposed	Current	Proposed	Current	Proposed
1 mile	4.50	5.10	5.00	5.90	9.00	10.20
2 miles	6.00	6.90	6.50	8.00	12.00	13.80
3 miles	7.50	8.70	8.00	10.10	15.00	17.40
5 miles	10.50	12.30	11.00	14.30	21.00	24.60
10 miles	18.00	21.30	18.50	24.80	36.00	42.60

As most Local Authorities use differing distance measurements for the initial flag fare and on-going distance charges, the best way to compare taxi tariffs is on the running mile and mile figures. It can be seen that Plymouth is second lowest within the local area on the running mile, highest on a one mile journey and two mile journeys, 6<sup>th</sup> on a 5 mile journey and 2<sup>nd</sup> lowest for a 10 mile journey. The comparison can be seen in the table below:-

Local Authority	Tariff 1	1 mile	2 miles	5 miles	10 miles
Torbay (not exact mile)	1.95	4.35	6.30	12.15	21.90
Torrige (not exact mile)	2.50	3.12	5.27	11.72	22.47
East Devon D. C.	2.10	3.70	5.80	12.10	22.60
Exeter C. C.	2.20	4.30	6.50	13.10	24.10
Teignbridge B C (not exact mile)	2.15	4.50	6.60	13.10	23.80
North Devon D. C.	2.50	4.05	6.55	14.05	26.55
Plymouth C. C.	1.80	5.10	6.90	12.30	21.30
South Hams D. C.	2.07	3.80	5.80	12.00	22.40
Mid Devon D. C.	1.50	4.50	6.00	10.50	18.00
Caradon Zone	2.00	4.80	6.80	12.80	22.80
West Devon	2.07	3.80	5.80	12.00	22.40
Devon Average	2.08	4.18	6.21	12.35	22.57

In terms of the national context, as at October 2021, Plymouth at £6.00 is ranked 182 out of the 363 local authorities, which regulate taxi fares (Source Private Hire and Taxi Monthly). The proposed tariff would see Plymouth rise to 37 out of the 363 local authorities. The national average two-mile hackney fare on tariff one is £5.96. The Devon average is currently £6.21.

It must be taken into consideration when making comparisons with other Devon local authorities that Plymouth operate a 100% wheel chair accessible taxi fleet and therefore the investment in vehicles that meet this specification is considerably more than a standard vehicle operated in the other areas.

### 3.4 Proposal: Changes to Extra Charges

- Fuel Surcharge

The fuel surcharge is an extra charge added to the fare according to the fluctuation of fuel costs outside the existing fare adjustment mechanism. The fuel surcharge threshold is currently set for when fuel oil (diesel) reaches £1.40 per litre at Exeter Street service Station at which point 10p is added to the fare and with a further 10p for each subsequent increase of 10p per litre.

The price of diesel at the Exeter Street Service Station at the time this report was written is shown in the table below. Despite the recent sharp rises in fuel nationally the fuel surcharge threshold has not yet been reached. Following discussion between Licensing Officers and Trade representatives, it is proposed that the threshold (diesel) is raised to £1.50 per litre fuel with a further 10p for each subsequent increase of 10p per litre.

Petrol Filling Station	Diesel (£)
ASDA Exeter Street	133.7
ESSO Outland Road, Plymouth PL2 3DE	139.9
ESSO Wolseley Road, Plymouth, PL23AA	139.9

The trade also request that the location of the reference filling station (Exeter Street) which was chosen due to its close proximity to the city centre be changed. As Exeter Street filling station is tied to a supermarket chain and a lower grade of fuel is provided it is requested that the filling station used is tied to a main fuel provider where higher quality fuel is provided, for example ESSO at Home Park or Milehouse.

Mainstream fuel suppliers will always charge a higher rate than the discounted supermarket fuel and therefore the threshold will be met sooner. However, Licensing Officers support this change as it is considered more representative to the trade and less prone to continual price fluctuation.

- Soiling Charge

The trade have proposed that the charge applied when taxi proprietors/drivers having to valet and clean vehicles when soiled by customers is increased from £50 to £100.

While Licensing Officers acknowledge that the fee is intended to compensate the driver/proprietor for the cost of cleaning the vehicle's interior and for the loss of earnings while the taxi is off the road and act as a deterrent, this amounts to a charge increase of 100%.

It is normal practice that most 'soiling charges' are negotiated at the time and dependant on the specific nature of what has happened. Therefore, Licensing Officers recommend that the wording is changed so that the customer can be charged 'up to £100' for any soiling of vehicle, inside or out. This ability to negotiate a lower price is then retained.

- Entry to MOD Establishments, journeys from the railway station and the carrying of uncaged animals except working service dogs.

It is proposed to increase the charges from 40 pence (MOD Establishments/Plymouth Railway Station) and 30 pence (uncaged animals) to 50 pence to round up the costs, make them uniform and easier to calculate for the travelling public.

During this review, Licensing Officers challenged the continuing need to charge entry for MOD Establishments as this does not incur a charge for the driver.

It is the trade's submission that the charge covers the time it takes to complete the paperwork for necessary passes and consents and the amount of mileage spent driving without a passenger in the vehicle i.e. non-earnable mileage when leaving the dockyard. It is also thought that retaining the charge will assist in encouraging more drivers to obtain passes to access MOD facilities and therefore provide more access to the City's service personnel.

The charge for journeys from Plymouth Railway Station are still considered valid as taxi drivers are required to pay a substantial monthly fee for operating from the station and is important as an incentive to encourage drivers to continue to service the station adequately.

#### **4.0 Future Reviews of the Hackney Carriage Fares Tariff**

Until this point, the taxi trade in Plymouth had not received a fare increase for four years with the proposed increase from this review being reached by discussion and negotiation rather than by Policy and formula.

The Council needs a mechanism for regularly reviewing the maximum chargeable fares in a manner that is fair and transparent to both the taxi trade and the public who use them. It is therefore proposed by Licensing Officers that a Fare Policy and formula is explored and developed based around the average annual earnings figure for a full time employee in Plymouth, the component costs for running a taxi in Plymouth i.e. vehicle costs, tyre costs, insurance, fuel and garage servicing and labour costs. This will provide an average cost per mile and a percentage increase, which can be applied on an agreed basis.

#### **5.0 Conclusion**

A balance needs to be struck between the legitimate right of the trade to a viable livelihood and the needs of the travelling public. However, like many other business sectors, the taxi trade is facing financial pressures in the current economic climate and there has been no increase in taxi fares since October 2017.

The proposed tariff increase put forward is modest and would keep fares broadly in line with the national average and other Devon authorities and help to offset the rise in RPI over recent years.

The reduction of the tariff structure from five to three will provide a simplified, user-friendly tariff to allow passengers to more easily calculate the approximate cost of their journey.

The proposed changes to the charges have been considered and supported by Licensing Officers subject to the amended wording of the soiling charge to 'up to £100' and consideration of the fuels surcharge reference filling station.

## Appendix I

## Current Table of Fares (Tariff)

# HACKNEY CARRIAGE TABLE OF FARES



Made by virtue of Section 23 of the Plymouth City Council Act 1975

The driver must not refuse, without reasonable excuse, to take a hirer or would be hirer to any place within the licensing district, Section 53, Town and Police Clauses Act 1847

Applies to **ALL** journeys within the City boundary, and to journeys outside the City boundary unless agreed otherwise between driver and hirer, **PRIOR** to the hiring being commenced. Fares detailed below are the **MAXIMUM** fares that may be charged. Hiring's may be undertaken without the use of the meter where there is a prior contract with a public authority or for a period in excess of one hour. No other charges may be made.

**Tariff 1** Applies on Monday to Saturday from 6am to 7pm

**Tariff 2** Applies on Monday to Saturday from 7pm to Midnight, and Sundays/Bank Holidays from 6am to 7pm

**Tariff 3** Applies on Monday to Sunday from midnight to 6am and Sundays/Bank Holidays from 7pm to midnight

**Tariff 4** Applies from 7pm on Christmas Eve to 7am on Christmas Day, and from 7am on Boxing Day until 7am on 27 December, and from 7pm to midnight on 31 December and from 7am on New Year's day to 7am on 2 January

**Tariff 5** Applies from 7am on Christmas Day until 7am on Boxing day, and on New Year's day from midnight until 7am

Distance	Tariff 1	Tariff 2	Tariff 3	Tariff 4	Tariff 5
For any distance up to one tenth of a mile	£3.00	£3.50	£4.00	£4.50	£6.00
For the next one tenth of a mile	30p	30p	30p	45p	60p
For each subsequent one fifth of a mile	30p	30p	30p	45p	60p

Waiting Time	Tariff 1	Tariff 2	Tariff 3	Tariff 4	Tariff 5
For each completed period of 60 seconds		30p	30p	45p	60p
For each completed period of 90 seconds	30p				

Each additional passenger after the second (accompanied children under the age of 5 are not charged, two children between 3 & 12 to be charged as one).	20p
Entrance to MOD establishments, booking fee, or from Plymouth Railway Station (subject to permit).	40p
For each uncaged animal except guide, hearing or other assistance dogs.	30p
Fuel - to be added to each hiring if and when fuel oil is £1.40 at Exeter Street service Station with a further 10p for each subsequent increase of 10p per litre.	10p
For any soiling of vehicle, inside or out	£50
Toll charges at current rate for return journey	

## Appendix 2

## Proposed Table of Fares (Tariff)

# HACKNEY CARRIAGE TABLE OF FARES



Made by virtue of Section 23 of the Plymouth City Council Act 1975

The driver must not refuse, without reasonable excuse, to take a hirer or would be hirer to any place within the licensing district, Section 53, Town and Police Clauses Act 1847.

Applies to **ALL** journeys within the City boundary, and to journeys outside the City boundary unless agreed otherwise between driver and hirer, **PRIOR** to the hiring being commenced. Fares detailed below are the **MAXIMUM** fares that may be charged. Hiring's may be undertaken without the use of the meter where there is a prior contract with a public authority or for a period in excess of one hour. No other charges may be made.

**Tariff 1** Applies Monday to Saturday from 6am to 7pm

**Tariff 2** Applies Monday to Saturday from 7pm to 6am, Sundays/Bank Holidays from 6am to 6am the following day

**Tariff 3** Applies from 7pm Christmas Eve to 6am 27 December and from 7pm 31 December to 6am 1 January

Distance	Tariff 1	Tariff 2	Tariff 3
For any distance up to 1/6 <sup>th</sup> of a mile	£3.30	£3.80	£6.60
For each subsequent 1/6 <sup>th</sup> of a mile or part thereof	30p	-	60p
For each subsequent 1/7 <sup>th</sup> of a mile or part thereof	-	30p	-

Waiting Time	Tariff 1	Tariff 2	Tariff 3
For each completed period of 60 seconds		30p	
For each completed period of 90 seconds	30p		60p

Extra Charges	
Each additional passenger after the second (accompanied children under the age of 3 are not charged, two children between 3 & 12 to be charged as one).	20p
Entrance to MOD establishments, booking fee, or from Plymouth Railway Station (subject to permit).	50p
For each uncaged animal except guide, hearing or other assistance dogs.	50p
Fuel - to be added to each hiring if and when fuel oil is £1.40 at Exeter Street service Station with a further 10p for each subsequent increase of 10p per litre.	10p
For any soiling of vehicle, inside or out	£100.00
Toll charges incurred at current rate for return journey	