

**REPORT TO:** LICENSING COMMITTEE  
**DATE:** 5 FEBRUARY 2019  
**TOPIC:** NORTH DEVON COUNCIL HACKNEY CARRIAGE  
TARIFF  
**REPORT BY:** LICENSING SERVICE LEAD; HOWARD BEE

## 1. INTRODUCTION

1.1 This report seeks to review North Devon Council's Authorised Maximum Fares for Licensed Hackney Carriages.

## 2. RECOMMENDATIONS

2.1 It is **RECOMMENDED** that Licensing Committee:

2.1.1 Consider any representations received in respect of the Council's hackney carriage tariff.

2.1.2 Recommend to the Council's Executive that:

2.1.2.1 No change be made to the Council's Hackney Carriage Fare Tariff at this current time.

2.1.2.2 Amend paragraph 4.4.1 of Council's Hackney Carriage and Private Hire Licensing Policy to read –

*'Hackney carriage tariffs will be reviewed taking into account the cost of fuel and other expenses. Any requests for review of tariffs will be referred to a meeting of the Licensing Committee. No more than two Licensing Committee meetings to review the hackney carriage tariff will take place in any one year period.'*

### 3. REASONS FOR RECOMMENDATIONS

- 3.1 The price of unleaded 95 octane fuel (south west average AA figures) has increased by 14.6 pence per litre in the period April 2016 (when the tariff was last approved 26 April 2016) to December 2018.
- 3.2 The price of diesel (south west average AA figures) has increased by 24.1 pence per litre in the period April 2016 (when the tariff was last approved 26 April 2016) to December 2018.
- 3.3 Whilst the price of unleaded 95 octane fuel and diesel have increased, the fare for a two mile journey as published in the January 2019 edition of the Private Hire and Taxi magazine indicates that the current North Devon fare of £6.55 is ranked the sixty fourth highest out of three hundred and fifty authorities. The cheapest published fare is £3.50, South Kesteven.
- 3.4 The same published figures indicate that North Devon is the third highest ranked fare for a two mile journey in Devon. Torrridge is ranked the highest in Devon at number forty eight with £6.62 and Mid Devon ranked the lowest at number two hundred and fourteen with £5.70.
- 3.5 The current North Devon fare for a two mile journey is twenty nine pence higher than the Devon average.
- 3.6 If the proposed request for a £3.00 'lift off' and £3 for the running mile was approved it would result in the following significant increases for those persons who use and rely on hackney carriages-
  - a) The 'lift off' fare would increase by 20p from £2.80 to £3.00.
  - b) The running mile would increase by 50p from £2.50 to £3.00.
  - c) The first mile fare would increase by forty five pence from £4.05 to £4.50.
  - d) A two mile fare would increase by 95p from £6.55 to £7.50 resulting in North Devon being £1.24 more expensive than the Devon average and moving up to ranking number six in the Private Hire and Taxi magazine published fares.
  - e) A five mile journey would increase by £2.45 from £14.05 to £16.50
  - f) A ten mile journey would increase by £4.95 from £26.55 to £31.50.
  - g) A thirty mile journey would increase by £14.95 from £76.55 to £91.50.
- 3.7 A written representation opposing the request to increase the hackney carriage fare has been submitted by a North Devon licensed hackney carriage driver. A summary of the representation is highlighted in paragraph 4.6

- 3.8 The existing policy of reviewing the hackney carriage tariff in November of each year is inflexible and unrealistic for officers. It does not take into account the current nature of their workload and duties.

#### 4. REPORT

- 4.1 North Devon Council's existing hackney tariff became effective on the 26 April 2016. Elements of the hackney tariff were amended (flag rates increased and flag distance decreased) resulting in higher fares.
- 4.2 The last hackney tariff review was in November 2016 whereby the Licensing Committee recommended that there would be no increase to the hackney carriage tariff.
- 4.3 Not all licensed drivers charge the current tariff, choosing to charge less than the 'meter price'. Any approved changes to the hackney tariff would result in the proprietors of all licensed Hackney Carriages (including those who charge less than the meter rate) having to amend the tariff in the meter.
- 4.4 North Devon Council's Hackney Carriage and Private Hire Policy states:
- 4.4.1 Hackney carriage tariffs will be reviewed in November each year when cost of fuel and other expenses will be taken into account. Any requests for review of tariffs will be referred to the annual review meeting of the Licensing Committee in November each year.*
- 4.5 The annual hackney carriage tariff review did not take place in November 2018 due to the amount of time officers spent working on the changes which occurred in 'animal activity licensing, i.e. on 1<sup>st</sup> October 2018 The Animal Welfare (Licensing of activities involving animals) (England) regulations 2018 took effect.
- 4.6 At the time of writing this report one request (including a petition) was received on 23 October 2018 for a review of the hackney carriage tariff from a member the hackney carriage trade subsequent to the last review (AppendixA). A summary of the points outlined in the request are as follows –
- a) Our request to increase maximum allowed fare to £3 lift off and £3 for the running mile on basic is because costs have caught up with we who are full time (list of names and badge numbers attached these are the bulk of our full time hackney drivers) obviously part timers who only come out at prime times are difficult to speak to.
  - b) The last two rises were on the lift off only and nothing on the running mile where the bulk of expenses are felt, result was those drivers working the town centre average journey being three quarters of a mile which works out taking an average of 30mpg 20 trips per gallon which makes a rise of £2 per gallon.

- c) Where as those looking after your tourists travelling to various holiday resorts, which are roughly 30 miles per round trip only get 10p per gallon.
- d) The last rise was a reduction in distance of one quarter of a mile which is a rise of 62p per trip, town drivers get £12.40 per gallon.
- e) Again those drivers working with tourists get 62p per gallon which obviously does not cover one fuel rise per litre let alone all the rises since 1999, plus large jump in cost of tyres (a set about £450 from £100) insurance has also increased dramatically, and a service for a vehicle is between £300 and £400, at the last rise on running mile fuel was under 90p and is now average £1.30 per litre.
- f) We are also over run with hackney vehicles working for private hire companies and using the ranks as walk on offices.

4.7 A written representation opposing the request to increase the hackney carriage tariff has been submitted by a North Devon licensed hackney carriage driver (Appendix B). A summary of the representation is as follows -

- a) A large number of NDC licensed hackney carriage drivers do not want a fare increase.
- b) The proposal has been initiated by the hackney carriage drivers who operate mainly out of the train station.
- c) Those licensed drivers who operate from the train station can usually achieve full meter rate, whilst on the public ranks there is a culture of bartering resulting in the vast majority of fares not achieving full meter rate.
- d) North Devon is a low income area.
- e) Fuel price increases have not been that noticeable.
- f) An increase in the tariff at the present time would not be appropriate.
- g) It is becoming increasingly difficult to make a reasonable living, the negative publicity caused by an increase would do more harm to the trade.

4.8 The Council's licensing policy aims to embrace the principles of fairness and reasonableness to the users of taxis and the trade. The policy sets out a list of fare tariff criteria which should be used in considering any increase in a table of fares:

- Reasonable and fair to all stakeholders.
- Proportionate with the locality.
- Benchmarked with other local authorities.
- Justified.
- Simple and easily calculated.
- Designed with a view to practicality.
- In line with best practice guidance.
- Mathematically correct and capable of being entered onto a meter.
- Structurally the same for vehicles of different seating capacity.

- Designed where possible to avoid either deliberate or accidental overcharging.

4.9 Attached at Appendix C is a monthly breakdown of the south west average fuel prices since the last tariff increase in April 2016.

4.10 The following price changes have occurred:

4.10.1 The price of unleaded 95 octane fuel (south west average AA figures) has increased by 14.6 pence per litre in the period April 2016 (when the tariff was last approved 26 April 2016) to December 2018.

4.10.2 The price of diesel (south west average AA figures) has increased by 24.1 pence per litre in the period April 2016 (when the tariff was last approved 26 April 2016) to December 2018.

4.11 Private Hire and Taxi Monthly Magazine produce a tariff league table (Appendix D). In their January 2019 table, based on a 2 mile journey on tariff one (day rate), North Devon's tariff is listed at sixty four (at last review thirty nine) highest out of some three hundred and sixty five authorities. Drawing a comparison with its near neighbours, Torridge District Council is listed at position forty eight and Mid Devon District Council at two hundred and fourteen.

4.12 The following table highlights current figures published in the above mentioned magazine:

Fare	Trade Representation proposes	North Devon approved (April 16)	Mid Devon (Aug 10)	Torridge (Aug 17)	North Devon in comparison to South West Average
<b>Tariff One</b>					
Flag Rate*	£3.00	£2.80	£2.30	£3.50	N/A
Running Mile	£3.00	£2.50	£2.20	£2.50	N/A
Two miles	£7.50	£6.55	£5.70	£6.62	£0.29 higher
Ten Miles	£31.50	£26.55	£22.30	£26.62	N/A
<b>Tariff Two</b>					
Flag Rate*	N/A	£4.20	£3.45	£5.25	N/A
Running Mile	N/A	£3.80	£3.30	£3.75	N/A
Two miles	N/A	£9.90	£8.55	£9.94	N/A
Ten Miles	N/A	£40.30	£33.45	£39.94	N/A
*Flag rates vary for distance. North Devon: ½ mile, Torridge: ¾ mile, Mid Devon: 530 yards (0.3 miles).					

- 4.13 North Devon Council's tariff is currently twenty nine pence higher than the south west average for a two mile journey.
- 4.14 It is worthy to note that flag rates for the three authorities vary for distance, and therefore do not generally provide for good comparison. Comparisons of running mile are more favourable.
- 4.15 The running mile in North Devon is currently equal or lower that of Mid Devon and Torridge District Councils, journeys over longer distances are similar to Torridge and more expensive than Mid Devon. However if the request was approved the fares would be considerably more expensive. For example a journey of ten miles on tariff one in North Devon would be £9.20 more expensive than Mid Devon and £4.88 than Torridge.
- 4.16 It is clear within the Council's policy that any requests for a variation to the hackney carriage tariff will be considered during the November meeting of Licensing Committee, however on this occasion it was decided that the request would be determined at this meeting.

## **5 CONCLUSION**

- 5.1 Fuel prices and the costs of other goods and services have increased, however the proposed increase if approved would further elevate North Devon's tariff to the sixth highest in England and become considerably more expensive than the Devon average and our near neighbours. It is recommended that no inflationary changes be made to the tariff at this point in time. Furthermore a representation from a licensed hackney carriage driver highlights the negative effects of an elevated tariff. A further review will be undertaken routinely in November 2019 or at an earlier or later point in time if circumstances dictate as such.

## **6 CONSULTATION**

- 6.1 No additional consultation has been undertaken with the trade. The licensed driver who submitted the representation did so because he became aware of the request to increase the hackney tariff.

## **7 FINANCIAL AND HUMAN RESOURCE IMPLICATIONS**

- 7.1 Considering the tariff forms the maximum fare that can be charged for a taxi journey, there are financial implications associated with this report. The area to be reviewed will impact directly on taxi drivers and members of the public travelling in taxis.

## 8 CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?	Key decision?
Part 3, Annex 1, Paragraph 2	Delegated	No

## 9 EQUALITY AND HUMAN RIGHTS

9.1 The provisions of the Human Rights Act have been taken into account in preparation of this report.

## 10 STATEMENT OF CONFIDENTIALITY

10.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

## 11 STATEMENT OF INTERNAL ADVICE

11.1 The author (below) confirms that advice has been taken from all appropriate officers.

## 12 BACKGROUND PAPERS

- North Devon Council (2016). Hackney Carriage and Private Hire Licensing Policy.

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