



## CABINET - 6TH APRIL 2022

**SUBJECT: PROPOSAL TO INCREASE HACKNEY CARRIAGE FARE TARIFFS**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT**

### **1. PURPOSE OF REPORT**

- 1.1 To inform Cabinet of requests received from the licensed trade for an increase in the Tariff of Fares for Hackney Carriages and the results of a consultation exercise with the trade on an amended tariff.
- 1.2 To seek Cabinet approval to advertise a proposed amended tariff of fares for a statutory 14 day public consultation.

### **2. SUMMARY**

- 2.1 Requests have been received from the Caerphilly County Borough Taxi Drivers Association (CCBTDA) and a Hackney Carriage Vehicle Proprietor for the current hackney carriage fare tariff to be increased. The current tariff has been in place since 2018 and should be reviewed in line with the current economic climate, particularly the impact of the crisis in Ukraine on rising fuel costs. This report outlines the details of the requests and the method by which this can be achieved.

### **3. RECOMMENDATIONS**

- 3.1 That Cabinet consider the content of this report and, in accordance with the view of the Taxi and General Committee detailed in the Consultation section below, it is recommended that Cabinet approve the tariff of fares for hackney carriage vehicles as detailed within **Appendix G** for publication in the press for the 14 days statutory public consultation period.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To bring into force amendments to the hackney carriage vehicle fare tariff following consultation with representatives of the trade. This is an Executive function.

## 5. THE REPORT

- 5.1 In accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, a local authority may fix and vary the rates or fares within their district and all other charges in connection with the hire of a hackney carriage. However, prior to bringing into force any changes, the authority must publicise its proposals in the local press for a period of fourteen days to allow for any objections.
- 5.2 The current tariff was introduced in September 2018 following requests for an increase from members of the taxi trade due to increasing costs at that time. A copy of the current tariff is attached as **Appendix A**.
- 5.3 Officers have noted the tariffs that apply in neighbouring authorities and information contained within "The Private Hire and Taxi Monthly" magazine, which publishes "league tables" showing fare tariffs throughout England and Wales. Comparisons (as at December 2021) show that based upon a two mile journey, the current national average fare is £6.06, the all-Wales average is £5.69 and the regional average in Gwent is £5.48. This Authority's two mile tariff equates to £5.40. Caerphilly CBC currently sits at 289 out of 359 local authorities in National Fare Tables. It is expected that most areas will be reviewing tariffs as a result of recent significant increases in fuel costs. A copy of this table is attached as **Appendix B**.
- 5.4 A Comparison of the two mile tariff across Wales is attached as **Appendix C**.
- 5.5 Since 2018 there has been an increase in the cost of both diesel and petrol. The average petrol price in Wales in February 2018 was 121.4 and 124.2 for diesel. At the time of writing this report average prices are at 161.0 for petrol and 170.1 for diesel. This represents a price increase of 32.6% for petrol and 37% for diesel. The rate of inflation is 5.5%, as at January 2022, the highest 12 month inflation rate since 2011. The latest figures for CPI Consumer Price Index are 5.5%. Car insurance costs increased in 2019 and 2020 and then dropped by 6% in 2021. Prices in December 2021 however were 5 % higher than the previous 3 months. Changes in restrictions on insurance pricing from January 2022 may also lead to further prices increases.
- 5.6 Caerphilly County Borough Taxi Drivers Association (CCBTDA) and a Hackney Carriage Vehicle Proprietor submitted requests for the current hackney carriage fare tariff to increase. The requests received are reproduced as **Appendix D**. These proposals were submitted prior to the recent events in Ukraine which have resulted in fuel price increases.
- 5.7 Proposals for an increase were circulated between the 28<sup>th</sup> January and the 12<sup>th</sup> February 2022 to all licensed drivers and proprietors of hackney carriages in the borough who were invited to comment on the proposals or make additional suggestions. A copy of information detailing each proposal demonstrating the prospective fares based on 1 to 5 and 10 mile, journeys and the survey form sent to the trade are attached for information as **Appendix E**.
- 5.8 Members are directed to a typographical error contained within the proposed options table referred to above. This is contained in proposal A for a 2 mile journey under Tariff 1 which should read an increase of £0.60 and not £0.40 as detailed. This has been amended and the corrected version shown in **Appendix F**.
- 5.9 There were a total of 32 responses received, 29 out of the 32 respondees agreed that the existing tariff should be revised. 19 out of 32 respondees (58.06%) were in

favour of Proposal B, 11 out of 32 (35.37 %) were in favour of Proposal A. It should be noted that the consultation was conducted prior to the escalation of the hostilities in the Ukraine and the impact upon fuel prices.

When prompted for reasons for their choice in relation to the above, the following comments have been received:

*Proposal A, the increase they wish for is a large increase but in doing that and then changing the tariff to 2 from 10pm to 6am, you will end up in the same predicament as your going to lose 4hours today per night of tariff 2 fair due to not starting it till later.*

*Proposal B offers a smaller increase that isn't such a blow to customers but makes a subtle difference to the driver and not a big increase to customer.*

*Smaller increase less impact on business*

*The time for increased fares is overdue with the cost of fuel and other things going up all the time*

*An increase is a positive move, and with that in mind at the moment proposal b is the best way to move forward.*

*Price of fuel is higher than ever and there are increased costs with maintaining and insuring vehicles, this needs to be taken into account.*

*The cost of petrol/diesel has sky rocketed. Also with the price of living about to go through the roof us taxi drivers need more income to be able to pay our bills etc. Personally I believe that proposal 1 is a low increase compared to the extra costs in living / fuel that us taxi drivers are being faced with.*

*Most industries get an annual pay rise linked to inflation. As we are into year 4 since taxi fares were increased, I feel that 10% is a fair proposal.*

*Struggling to make a living because of the hike in the fuel prices*

*Can't put up with customers moaning at any sight of the fare on screen...how much they shout*

*Almost all week days there is very less custom after 10pm*

*Due to cost of fuel and vehicle part and vehicle prices rising .probably proposal A will give this trade some back but with condition of maintaining tariff 2 start @ 19.00hrs*

*I believe it's time to change especially when considering the cost of fuel prices and most councils on the weekend work on tariff 2 (Cardiff).*

*Previous rate too low*

*Previous to low*

*Not the right time*

- 5.10 In relation to Waiting Time - 26 out of 32 respondees (83.87%) were in favour of increasing the waiting time (the time after hire, i.e. the waiting for the passenger to

commence/recommence journey) from 10p per 30 seconds to 20p per 30 seconds. When prompted for reasons for their choice in relation to the above, the following comments have been received:

*Some customers take a long time when running into shops, friends' houses, etc this comes to the cost of the driver so an increase should be imposed.*

*Waiting time needs to go in line with the rise*

*Increase is needed*

*I personally think doubling the waiting time at the moment is not right.*

*The price of fuel is rising and we are earning less and less*

*At the rate of 10p per 30 seconds I can earn a maximum of £12 for an hour spent waiting, however if I was to do a run to Newport roughly a 30 min run I could earn £30.*

*On regular occasions I have customers that will ask me to take them to the shop (tesco, asda) and ask me to wait for them while they do a shop. I worked it out that if a customer has asked me to wait an hour it equals £12 an hour. A run from Blackwood to Cardiff which takes 30 minutes is around £30-35 so double that and you could have earned £60-£70. That's a huge reduction in what you could potentially be earning. Because the waiting time is so low people don't mind keeping us waiting.*

*On long waits the existing is not sufficient*

*The rate is currently insufficient when we are waiting a long time for passengers.*

*With a 10% increase in fares I see no need to increase waiting time.*

*When waiting losing money as can't take another fare*

*Can't take moaning at the fare increase*

*Rise in fuel prices*

*Fuel prices*

*When customers going into food stores for 15 to 20 minutes the current rate does not justify the wait*

*Because it's the law a lot of customers take advantage of it.*

*Previous was too low*

*Previous not enough*

*Currently low*

*The cost of expenses & living is rising*

*The cost of motoring expenses are rising*

*Not right time*

- 5.11 Tariff 2 provision - The two proposals received to increase the tariff of fares advocated differing times for the Tariff 2 rate to take effect. Proposal A advocated that Tariff 2 become effective from 10pm until 6am, whilst Proposal B advocated that Tariff 2 be effective from Friday at 7pm and continue until 7am on Monday. The current tariff 2 rate is effective from 7pm to 7am.

17 respondees (54.83%) were in favour of tariff 2 being effective from Friday at 7pm and continue until 7am on Monday. 10 respondees (32.25%) were in favour of maintaining existing requirements i.e. 7pm to 7am, whilst 4 respondees (12.90%) favoured a revision of the hours of tariff 2 to reflect 10pm to 6am.

When prompted for reasons for their choice in relation to the above, the following comments have been received:

*Proposal B by CCBTDA makes the most sense and is very reasonable.*

*It took 8 years to get this agreement and any other would be going backwards*

*I personally think it should stay at 7pm to 7am. And change to 7pm Friday to 7am Monday.*

*I personally do not work evenings and nights but I used to work them shifts a long time ago. The people who do work night shift are on more money because they deal with drunks and more aggressive customers than on the day shift. The idea that drivers that start work at 7pm won't be getting the money from Tariff 2 until 10pm could potentially cause those drivers to change over to day shift and where we already have way too many drivers working and would dilute the current day drivers pay down even further when we are struggling already.*

*Because we work 7 days a week not just weekends*

*After 10 very less custom*

*This is more sensible - the weekend should be tariff 2 as well.*

*Current charge too low*

- 5.12 Cabinet are asked to consider the proposals set out in this report and to approve an amended tariff for publication in the press. Following the statutory 14 day public consultation period, if no objections are received, the fare tariff shall come into effect immediately. If any objections are received, then Cabinet will receive a further report to consider these and to approve the fare tariff with or without modification and to determine the date upon the revised tariff should come into effect. To assist Members, the current fares and the outcome of implementing either proposal is shown in **Appendix F**.
- 5.13 Whilst there is reference within the Caerphilly County Borough Taxi Driver Association proposal to a survey of its members resulting in the following comments 'Members have decided 267 for 3.' Responses to the councils' consultation have been received from 32 drivers / vehicle proprietors. This equates to a response rate of 7.96%.

- 5.14 Members will see that of the 32 responses, the majority of respondees, 19 were in support of proposal B. If approved this would result in the following: -
- Tariff 1 – An increase of 10p for the first mile and 20p for each subsequent mile.
  - Tariff 2 – An increase of 10p for the first mile and 20p for each subsequent mile.
  - Tariff 3 – An increase of 35p for the first mile and 30p for each subsequent mile.
  - Tariff 4 – An increase of 40p for the first mile and 40p for each subsequent mile.
  - Tariff 5 – An increase of 60p for the first mile and 60p for each subsequent mile.
- 5.15 Members will note that one of the proposals submitted, proposed to amend the times of operation of Tariff 2 to be effective not just 7pm to 7am but to be applicable from 7pm Friday over the weekend until 7am on Monday.
- 5.16 Members will also note that it is also proposed to increase waiting time (following hire) from 10p per 30 seconds to 20p per 30 seconds. This would mean a passenger 5 minutes late from collecting their pension or leaving the pub would pay an extra £1.00 to that currently charged.
- 5.17 If Members determined to implement the proposals as advocated in Proposal A, then this would result in the following:-
- Tariff 1 – An increase of 40p for the first mile and 20p for each subsequent mile.
  - Tariff 2 – An increase of 40p for the first mile and 30p for each subsequent mile.
  - Tariff 3 – An increase of 50p for the first mile and 30p for each subsequent mile.
  - Tariff 4 – An increase of 80p for the first mile and 40p for each subsequent mile.
  - Tariff 5 – An increase of £1.00 for the first mile and £1.00 for each subsequent mile.
- 5.18 Comparisons with national, regional and neighbouring authorities, as stated earlier in the report, suggest that an increase in the tariff is overdue. If the proposals above were agreed in line with Proposal B above then a two mile journey Monday to Friday 7am-7pm would equate to £5.70, but would cost £6.40, if passengers travelled between 7pm Friday to 7am Monday.
- If the Proposals were agreed in line with amounts detailed in Proposal A, maintaining the times of operation as detailed above then a two mile journey Monday to Friday 7am-7pm would equate to £6.00, but would cost £6.80, if passengers travelled

between 7pm Friday to 7am Monday.

- 5.19 The national average fare as December 2021 was £6.06, the all-Wales average was £5.69 and the regional average in Gwent was £5.48. It is however expected that most areas will be reviewing tariffs as a result of recent significant increases in fuel costs.
- 5.20 If a new tariff is introduced, meters in hackney carriages will require re-calibrating. It is also noted that three respondents were not in favour of any tariff increase, preferring to remain with the current tariff. One respondent commented upon the likelihood of complaints by passengers as to fare shown on the meter should fares be increased. If Members determine to increase the tariff of fares, then these licensees will have the ability to continue to offer a lower tariff should they choose. Any revised Tariff would be the maximum amount that could be charged for a journey in a hackney carriage vehicle.
- 5.21 **Conclusion**

Cabinet are required to consider the requests made by the trade and the results of the consultation undertaken. The comments of respondents detailed above were received prior to the escalation of the crisis in Ukraine and resultant increases in the cost of fuel. Fuel prices have risen significantly since the submission of both proposals submitted by the taxi trade, the tariff fare increase detailed in Proposal A may now be more appropriate given increasing costs and the volatile nature of the price of fuel, which could increase further. Officers have received two separate requests from drivers/operators in the last week to bring the new tariff in as soon as possible.

Members will need to assess the proposed tariff rates, the time at which tariff 2 will come into operation and the proposed increase to the cost of waiting time.

Members of the Taxi and General Committee at the meeting of the 25<sup>th</sup> March 2022 were therefore asked:–

- (i) To recommend to Cabinet the revised tariff, either Proposal A or Proposal B.
- (ii) Whether to increase 'waiting time' by 10p per 30 seconds to reflect a revised position of 20p per 30 seconds.
- (iii) To determine the hours of operation in relation to Tariff 2. Tariff 2 currently applies to journeys for between 1 – 4 passengers undertaken between 7pm to 7am (7days a week).

The options are:

- (a) maintain the current position.
- (b) tariff 2 to apply Friday 7pm to Monday 7am.
- (c) tariff 2 to apply 10pm to 6am, 7 days a week.

Members will be aware that residents without the use of cars rely on taxi services to transport them around the borough. Members will wish to take into consideration the increase in the cost of fuel and other living / business costs but also the cost to members of the public using hackney carriage vehicles. The tariff of fares for hackney carriages needs to be reasonable in order to attract and maintain suitable numbers of drivers and vehicle proprietors for a community and for a viable

employment opportunity. There is a need and demand for Taxi provision within the borough and to sustain a transport system. Tariff of fares need to be fair to the drivers, vehicle owners in order to make a living and at a level to be affordable and used by the travelling public.

## **6. ASSUMPTIONS**

6.1 No assumptions have been made within this report.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

7.1 The aim of the proposal is to set a tariff of fares that is reasonable to the travelling public and to the taxi trade who earn a living by owning or driving hackney carriages. The current tariff of fares has not increased since 2018. The review of the hackney carriage tariff has been triggered following requests from the hackney carriage. A number of factors influencing taxi journey costs have increased since that time e.g., a 32.6% increase in petrol and 37% increase in diesel costs. The current rate of inflation is 5.5%, the highest 12 months inflation rate since 2011.

The latest figures for CPI Consumer Price Index are 5.5%. Car insurance costs increased in 2019 and 2020 and then dropped by 6% in 2021. Prices in December 2021 however were 5% higher than the previous 3 months. Changes in restrictions on insurance pricing from January 2022 may also lead to further price increases. The tariff of fares sets the maximum amount that can be charged for journeys in hackney carriage vehicles. Drivers / Proprietors can choose to charge fares below the level of the tariff of fares. A link to the Integrated Impact Assessment is attached below.

[Link to Integrated Impact Assessment](#)

## **8. FINANCIAL IMPLICATIONS**

8.1 There are no financial implications for the authority except for the advertising costs in publishing details of the proposals for which a budget already exists.

## **9. PERSONNEL IMPLICATIONS**

9.1 There are no personnel implications associated with this report.

## **10. CONSULTATIONS**

10.1 The report has been sent to the Consultees listed below and all comments received are reflected in the report.

10.2 Members of the Taxi and General Committee at the meeting of the 25<sup>th</sup> March 2022 considered the report and comments made by a representative of the Caerphilly County Borough Taxi Drivers Association and a hackney carriage vehicle proprietor who both attended the meeting. The representative of the taxi association confirmed that the Association's position in relation to any increase of the tariff was unchanged and remained as set out in Proposal B. One Member acknowledged the complexity

of the proposals, the continuing rise in living costs and inflation rates since the proposals were submitted in November 2021 and December 2021, and the need to take these continued rises into consideration as part of the Committee's recommendations. The Member also referenced the lack of consultation responses received from the trade and suggested that a higher response rate would have been useful for the Committee to gauge the general strength of feeling across the whole of the trade regarding these proposals which are of the utmost importance to their livelihoods.

- 10.3 The Taxi Association representative explained that many trade members had called for a larger increase in fares, particularly in view of the rising costs of living, but it had since been acknowledged that this was not feasible and so proposing a small increase would still be of benefit to the taxi trade whilst not significantly impacting on the costs of taxi hire by the public. The trade wished for Tariff 2 to be implemented on the weekends (19:00 on Friday until 07:00 on Mondays) so that all drivers would see the benefits of the increase, including daytime drivers, and this small increase would help drivers with the rising cost of living. The Taxi Association representative explained that this proposal was felt to be sensible and proportionate by the trade, as having a 10-pence increase (across Tariffs 1 and 2) would only equate to £1.00 extra income for the driver over a 5-mile journey.

The Taxi Association representative asked that if Members were not minded to support the change to Tariff 2 across the weekend, then they maintain the current situation where Tariff 2 applies 07:00 to 19:00.

The Taxi Association representative also highlighted the most recent hackney carriage fare increase in 2018 and explained that because there was such a significant increase in fares at that time, following a number of years where there was no increase, this led to an adverse impact on the trade where the public were reluctant to use taxis for a period of time because of the increased costs. The representative suggested that moving forward, it would be sensible to have smaller and more frequent increases every two years, rather than a significant increase in fares every five to ten years.

- 10.4 A local hackney carriage vehicle proprietor also addressed the Committee later in the meeting, and outlined his reasons for submitting Proposal A, which advocated an increase of approximately 10% across all tariffs, together with a request for the waiting time to be increased from 10p per 30 seconds to 20p per 30 seconds and for Tariff 2 to be implemented from 22:00 to 06:00 7 days a week.

The Hackney Carriage Proprietor explained that as there has been no tariff increase for almost four years, he felt that a 10% increase across the board would be fair as this would equate to a 2.5% increase per year. The Proprietor was of the view that Tariff 2 should only apply from 22:00 to 06:00 and disagreed with the other Tariff 2 proposal put forward by the Taxi Association, explaining that this particular proposal would be unfair to customers and have a detrimental impact on Saturday shoppers and people going out for Sunday lunch, which comprise a significant proportion of trade.

- 10.5 A Member acknowledged the increasing financial pressures placed on the trade and was in support of increasing the rate of waiting time in order to recognise the demands placed on drivers and the fact that they could be missing out on fares elsewhere. He also acknowledged that a change to the Tariff 2 timings across the weekends could act as an uplift to those drivers who work shifts across unsociable hours. In addition, the Member suggested that moving forward in the long term, a

solution to assist with ongoing financial pressures faced by both drivers and customer could be to review and increase hackney carriage fares on a more frequent basis and in smaller increments.

- 10.6 Following consideration of the report and the representations made, the Taxi and General Committee considered the proposals on the amendments to the hackney carriage fare tariff as set out in Section 3.2 of the report, in order to make recommendations to Cabinet on the preferred proposals for approval, and to then enable the proposals to be advertised in the press for a 14-day public consultation period.

Voting on each aspect took place by Microsoft forms and Members unanimously recommended the following to cabinet

that:-

- (i) Proposal B be approved as the revised hackney carriage fare tariff.
- (ii) The 'waiting time' be increased by 10 pence per 30 seconds to reflect a revised position of 20 pence per 30 seconds.
- (iii) Tariff 2 be applied Friday 7pm to Monday 7am.

- 10.7 As a result of the view of the Taxi and General Committee, it is recommended that Cabinet approve the tariff of fares for hackney carriage vehicles as detailed within **Appendix G** for the purposes of the statutory 14 day public consultation. Following the statutory 14 day public consultation period, if no objections are received, the fare tariff shall come into effect immediately. If any objections are received, then Cabinet will receive a further report to consider these and to approve the fare tariff with or without modification and to determine the date upon the revised tariff should come into effect.

## 11. STATUTORY POWER

- 11.1 Local Government Miscellaneous Provisions Act 1976.

Author: Lee Morgan, Licensing Manager morgal16@caerphilly.gov.uk

Consultees: Councillor Nigel George, Cabinet Member for Waste, Public Protection and Street Scene Georgen@caerphilly.gov.uk  
Councillor D.T Davies, Chair of Environment and Sustainability Scrutiny Committee daviedt@caerphilly.gov.uk  
Councillor A. Hussey, Vice Chair of Environment and Sustainability Scrutiny Committee hussea@caerphilly.gov.uk  
Mark S Williams, Corporate Director for Economy and Environment willims@caerphilly.gov.uk  
Robert Hartshorn, Head of Public Protection, Community and Leisure Services Hartsr@caerphilly.gov.uk  
Robert Tranter, Head of Legal Services and Monitoring Officer Trantrj@caerphilly.gov.uk  
Jacqui Morgan, Trading Standards, Licensing and Registrars Manager Morgaj4@caerphilly.gov.uk

Lynne Donovan, Head of People Services donovl@caerphilly.gov.uk  
David Roberts, Interim Finance Manager roberda@caerphilly.gov.uk  
Anwen Cullinane - Senior Policy Officer (Equalities, Welsh Language, and  
Consultation) cullima@caerphilly.gov.uk

Background Papers: None

Appendices:

Appendix A	Current Hackney Carriage Fare Tariff.
Appendix B	National Hackney Carriage Table of Fares
Appendix C	Table showing 2 mile Tariff Comparison across Wales.
Appendix D	Proposals to increase hackney carriage tariff
Appendix E	Consultation exercise with taxi trade.
Appendix F	Comparison of proposals submitted by taxi trade.
Appendix G	Proposed new hackney carriage tariff of fares