



## TAXI AND GENERAL COMMITTEE – 25TH MARCH 2022

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

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

--

### 1. PURPOSE OF REPORT

- 1.1 That the Taxi and General Committee consider the proposals set out in the report with a view to recommending to Cabinet an increase in the hackney carriage fare tariff, in light of requests received from members of the taxi trade.

### 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. This report outlines the details of the requests and the method by which this can be achieved.

### 3. RECOMMENDATIONS

- 3.1 Members are asked to consider the following proposals on the amendments to the hackney carriage fare tariff and make recommendations for a preferred proposal to Cabinet for approval, and to then enable the proposals to be advertised in the press for a 14-day public consultation period.
- 3.2 Members are therefore asked to:
- (i) Consider Proposal A and Proposal B (as set out in Appendix D of the report) and make a recommendation to Cabinet for one of these proposals to be approved as the revised hackney carriage fare tariff;
  - (ii) Determine whether or not to increase the 'waiting time' by 10 pence per 30 seconds to reflect a revised position of 20 pence per 30 seconds and make a suitable recommendation to Cabinet;
  - (iii) Determine the hours of operation in relation to Tariff 2 and make a suitable recommendation to Cabinet. Tariff 2 currently applies to journeys for between 1 – 4 passengers undertaken between 7pm to 7am (7 days a week). The options are:
    - (a) Maintain the current position; or
    - (b) Tariff 2 to apply Friday 7pm to Monday 7am; or
    - (c) Tariff 2 to apply 10pm to 6am, 7 days a week.

#### 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 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 current 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 price 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 you 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 Members are asked to consider the proposals set out in this report and to recommend a preferred proposal to Cabinet. To assist Members, the current fares and the outcome of implementing either proposal is shown in **Appendix F**. In addition to the recommendation from this Committee, Cabinet will be asked to note that 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.
- 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.

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.

Members will 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.

5.15 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.

5.16 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.

- 5.17 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.
- 5.18 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.

## 5.19 Conclusion

Members 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 are 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 (7 days 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.

## 6. ASSUMPTIONS

- 6.1 No assumptions have been made or were thought necessary.

## **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.
- 7.2 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 - Tariff Review](#)**

## **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 Responses to consultation with the trade are reflected in this report.
- 10.2 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

## **11. STATUTORY POWER**

- 11.1 Local Government Miscellaneous Provisions Act 1976.

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

Consultees: Cllr Julian Simmonds, Chair, Taxi & General Licensing Committee  
Cllr Walter Williams, Vice Chair, Taxi & General Licensing Committee  
Cllr Nigel George, Cabinet Member for Waste, Public Protection and Street Scene  
Mark S. Williams, Corporate Director Economy and Environment  
Robert Hartshorn, Head of Public Protection, Community and Leisure Services  
Robert Tranter, Head of Legal Services and Monitoring Officer  
Jacqui Morgan, Trading Standards, Licensing and Registrars Manager

Steve Harris, Head of Financial Services & S151 Officer  
Paul Adams, Senior Assistant Accountant  
Anwen Cullinane, Senior Policy Officer (Equalities and Welsh Language)  
Lynne Donovan, Head of People Services

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