

STROUD DISTRICT COUNCIL

COMMUNITY SERVICES AND LICENSING COMMITTEE

THURSDAY, 23 JUNE 2022

Report Title	STROUD DISTRICT COUNCIL TAXI FARES			
Purpose of Report	To consider recommendations by the Taxi Task and Finish Group regarding a request by members of the taxi trade to increase taxi fares in Stroud District			
Decision(s)	<p>The Committee RESOLVES to:</p> <p>a) Approve an increase in Stroud District Council’s taxi fares in accordance with the recommendations of the Taxi Task and Finish Group in Appendix C</p> <p>b) If (a) is resolved, or any variation on the recommendation, approve the procedure and delegation outlined in paragraph 5.3 of this report.</p> <p>c) Approve the methodology and timescales for future reviews of Stroud District Council’s taxi fares outlined in paragraph 5.6 of this report</p>			
Consultation and Feedback	<p>The Task and Finish Group recommendations regarding a proposed fare increase have been circulated to all Stroud District Council licensed taxi and private hire drivers and to all approved meter fitters for comment. The consultation period with the trade was 4th May 2022 and 22nd May 2022.</p> <p>If Committee approves the proposed fare increase, there will be a public notice giving 14 days for public comment.</p>			
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Options	<p>Alternative resolutions to the proposed decision are:</p> <p>(a) not make any changes to the current fares</p> <p>Or</p> <p>(b) make alternative changes to current fares to those recommended by the Task and Finish Group in Appendix C</p>			
Background Papers	None			
Appendices	<p>Appendix A – Current Taxi Fare Table for Stroud District</p> <p>Appendix B – Schedule of consultation comments</p> <p>Appendix C – Proposed variation to the Taxi Fare Table for Stroud District as recommended by the Taxi Task and Finish Group</p>			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to set a table of fares which shows the rates for time, distance, and all other charges in connection with the hire of a hackney carriage. For the purposes of this report hackney carriages are referred to as taxis.
- 1.2 The Act allows the Council to vary the rates and lays out a statutory notice procedure that must be followed if it decides to do so.
- 1.3 The table of fares are the rates to which Stroud District Council licensed taxi meters are set and it is the maximum a customer can be charged for any journey within the district. A driver can choose to charge a lesser fare.
- 1.4 The Council does not set the fares for private hire vehicles which must be pre-booked through an operator. The fare must be agreed with the customer prior to the journey commencing.

2 CURRENT FARE TABLE

- 2.1 Stroud District Council's current fare table came into force on 1st February 2018.
- 2.2 Stroud District Council's current fares are split into 3 rates which in summary are:

Rate 1	Day times Mon to Sat	07:00 to 18:00 Except Sat ends 13:00
Rate 2	Evenings, Sundays, and Bank Holidays	18:00 to 01:00 Except Sat starts 13:00 07:00 to 01:00 Sundays and Bank Holidays
Rate 3	Night times, Xmas and New Year	01:00 to 07:00 and Xmas and New Year

- 2.3 Each rate is broken down into the following elements:
 - **Starting rate** – the amount the meter will show when the journey starts.
 - **Yardage** – the distance in yards after which the meter adds an additional 30p to the fare when the vehicle is moving.
 - **Waiting time** – the time in seconds after which the meter adds an additional 30p to the fare if the vehicle is driving slowly or is stationary for example at traffic lights.
- 2.4 There are also extras that can be added to the fare including for extra passengers and for bags.
- 2.5 Stroud District Council's current taxi fare table is Appendix A.

3 PROPOSAL FOR FARE INCREASE

- 3.1 In March 2022 the Licensing Section received a request for a fare increase from representatives of the Stroud Taxi Trade. The trade explained that the reasons for wanting a fare increase are soaring fuel costs and increases in the cost of living. There was a petition signed by 13 taxi drivers supporting the request for an increase.

3.2 The trade request for a fare increase was reported verbally to Community Services and Licensing Committee at the meeting on 24th March 2022 and the Committee agreed to set up a Taxi Task and Finish Group to look at the trade proposal and come up with a recommendation for consideration of adoption at this committee.

4 TAXI TASK AND FINISH GROUP

4.1 The members on the Task and Finish Group were Cllrs Steve Robinson, John Jones and Nigel Prenter. They were supported by Licensing Officers.

4.2 On 11th April 2022 the group had their first meeting to consider the trade proposals. The trade had put forward three proposals. They only varied in that each had a slightly higher starting rate on rates one to three. This is shown below.

	Rate 1	Rate 2	Rate 3
Current Starting Rate	£2.80	£3.25	£4.00
Trade Proposal One Starting Rate	£3.00	£3.50	£4.20
Trade Proposal Two Starting Rate	£3.20	£3.60	£4.30
Trade Proposal Three Starting Rate	£3.50	£3.80	£4.50

4.3 The three trade proposals are summarised below by comparing a 2-mile journey and showing the percentage increase from the current fare

Approx. fare for two miles based on distance and % increase compared to current fare			
	2 miles at Rate 1	2 miles at Rate 2	2 miles at Rate 3
Current rates	£6.90	£8.25	£9.70
Trade Proposal 1	£7.70 ↑11.6%	£9.00 ↑9.0%	£10.30 ↑6.2%
Trade Proposal 2	£7.90 ↑14.5%	£9.10 ↑10.3%	£10.40 ↑7.2%
Trade Proposal 3	£8.20 ↑18.8%	£9.30 ↑12.7%	£10.60 ↑9.3%

4.4 The rate of inflation (CPI) in April 2022 was 9% as shown on the [ONS website](#). Previous to that the rate of inflation per year, [as shown on the bank of England website](#) between 2018 when fares were last increased and 2021, was on average 1.7%. Giving a total inflation rate between 2018 and 2022 as 14.1%.

4.5 The price of fuel has increased by 36% between February 2018 and April 2022 based on average fuel prices shown on the [AA website](#)

- 4.6 [The Private Hire and Taxi Monthly](#) issues monthly league tables showing the fares of all districts in England and Wales based on a two-mile trip on rate one. Stroud District is currently position 55 out of 355 districts. Stroud has historically been high on the league tables and when the fares were last increased in 2018 it was position 15. However, these league tables are just a 'snapshot'. Arguably rural districts like Stroud will have higher fares due to the longer 'empty legs' travelling out to and back from villages in the district, and also the hilly nature of the area. Many authorities, including the other Gloucestershire districts, are currently reviewing their fares due to high petrol and diesel costs and many will be increasing their fares at this time.
- 4.7 On 29th April 2022 the Task and Finish Group met with three representatives of the taxi trade. Two of those were on behalf of the trade who had submitted the proposals and one was a neutral representative. Below is a summary of the meeting.
- The first two taxi trade representatives explained that currently the trade are finding it difficult to cover their costs. The fares have not been increased in 4 years and over that time fuel has gone up by about 35%. Also, general living costs have increased, and the prices of vehicles and vehicle maintenance costs have gone up. They explained that their preference was for the second of their proposals which they felt would enable them to cover their costs and make an adequate living from the business.
 - The third representative made comment that there is a risk that if fares are too high, customers, who themselves will be struggling with increasing costs of living, will stop using taxis which would have negative impact on the trade. He felt the trade would benefit from a relaxation on the vehicle age policy to reduce their costs.
 - All agreed that that there needs to be a careful balance of the fares being enough for taxi businesses to be viable but not so high that customers cannot afford to take a taxi or causes hardship to those reliant on taxis.
 - Two of the representatives also asked on behalf of the trade that timings on the fare card be changed slightly to make bank holidays Rate three rather than Rate two which they are the moment.
 - The trade also asked that there be a process put in place so that moving forward fares can be regularly reviewed and increased at more regular intervals.
 - After discussion the Members on the Task and Finish group concluded that they supported the trade's second proposal and partly agreed to changing the rate for bank holidays but only after 13:00. They also supported having a regular review process.
- 4.8 The draft proposal supported by the Task and Finish Group was circulated on 4th May 2022 to all the taxi licence holders for their comments. It was also circulated to the meter fitters to ensure that the meters could be calibrated to the proposal. There are 112 taxi driver licence holders and there were 8 responses, all of which were positive and supported the proposal. The meter fitters confirmed the proposal could be calibrated. The consultation comments are Appendix B.
- 4.9 On 26th May 2022 the Task and Finish Group held a final meeting to consider the consultation comments, decide on a mechanism to trigger future reviews and agree their final recommendations to Committee.

5 RECOMMENDATIONS

- 5.1 The recommendation of the Task and Finish Group is that Committee resolves to approve the proposed taxi fare table as detailed in Appendix C. This proposed fare table reflects Trade Proposal 2 and includes moving bank holiday afternoons and evenings from rate 2 to rate 3.
- 5.2 In accordance with the Local Government (Miscellaneous Provisions) Act 1976, if a Council agrees to vary taxi fares, it must first give public notice as prescribed by the Act. The notice must state a period of at least 14 days for the public to make comment. If there are no objections the new fares will come into effect as soon as the public notice period expires.
- 5.3 If Committee resolves to vary Stroud District taxi fares, it is recommended that the Committee also resolves to agree to the procedure as detailed below:
- a. The approved revised fares are published in local newspapers on 29th and 30th June 2022 inviting public comment. There will also be a notice at the Council Offices specifying the period of up to 14th July 2022 during which the public can make an objection.
 - b. If no objections are received within the consultation period; or any objections are withdrawn, the revised fares be effective from 18th July 2022 or from the time any objections are withdrawn if after this date.
 - c. If any objections are received during the consultation period and not withdrawn, the Head of Environmental Health will be authorised (in consultation with the Community Services and Licensing Committee Chair and Vice Chair and the Licensing Manager) to:
 - (i) determine, following consideration of the objection(s) whether to approve the fare table with or without modifications; and
 - (ii) set a date no later than 2 months of the expiration of the consultation period, being the date when the determined fares shall have effect.
- 5.4 The Task and Finish Group also recommend that a procedure is adopted so that fares are regularly reviewed.
- 5.5 The trigger for future fare reviews can be based on the rate of inflation. The annual rate of inflation can be identified on the [Office for National Statistics website](#). This webpage shows the rate of CPI. The CPI index is the percentage change in consumer costs over 12 months. It takes account of all household costs such as food, car, fuel, gas and electricity.
- 5.6 The recommended procedure is that:
- a) Each April the Licensing Team will look at the [ONS website](#) to check the CPI as of March that year. Where the rate of CPI is more than 2.5% this will trigger a review of Stroud District Taxi Fares.
 - b) Where a review is triggered, there will be consideration of the current circumstances including rate of inflation, other costs such as fuel and vehicle costs, comparison with other

authorities and any other relevant factors. Where appropriate the matter will be considered by a Taxi Task and Finish Group with input from taxi trade representatives and there will be consultation with all the taxi trade. Any resultant proposed fare increase must be approved by Community Services and Licensing Committee followed by the public notice procedure. The likely timescales for adoption of any new fare resulting from an annual review is likely to be approximately 4 months meaning that any new fare could come into force in July. This however would be subject to any objections or other relevant matters.

- c) Where the rate of interest (CPI) is below 2.5% the fares will not be reviewed that year and the procedure to trigger a review will take place again the following April which will consider the rate of inflation over the previous two years and so on.

6 CONCLUSION

- 6.1 Members of the taxi trade have requested a taxi fare increase due to major increases in the costs of fuel and increasing in cost of living. The Taxi Task and Finish Group have considered the request and met with representatives of the taxi trade. The Task and Finish Group support the trade request and recommend that the fare table shown as Appendix C is approved by the Committee.
- 6.2 They also recommend that Committee approves the procedure for putting out public notice, dealing with any comments and implementing fares.
- 6.3 Finally, they recommend a methodology to be adopted for an annual trigger to ensure regular review of taxi fares

7 IMPLICATIONS

7.1 Financial Implications

There are no direct implications arising from this report.

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7.2 Legal Implications

The legal procedure to be followed for the fixing of fares for hackney carriages is contained in the body of this report.

The mechanism for reviewing the maximum chargeable fares must be both fair and transparent or the Council may face legal challenge.

Roslyn Howden, Lawyer; Email: roslyn.howden@onelegal.org.uk

7.3 Equality Implications

An EIA is not required because there are not any specific changes to service delivery proposed within this decision.

7.4 Environmental Implications

There are no significant implications within this category.