

# Cabinet Report



Listening Learning Leading

Report of Head of Legal and Democratic

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To: CABINET

Dates: 18 April 2024

## Hackney carriage fares

### Recommendation(s)

Cabinet is recommended to

- (a) consider the results of the consultation at **Appendix D**
- (b) adopt the proposed maximum hackney carriage fares at **Appendix G** with effect from 20 April 2024
- (c) subject to (b) above, agree that the tariff is reviewed annually using the Guildford model

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes/No	Yes/No	Yes/No	Yes/No
Signing off officer	Hannah Makins Principal Accountant	Sarah Commins Litigation & Planning Lawyer	Chloe Bunting Senior Climate Action Officer	Equalities Team

### Purpose of report

1. To report on the results of a recent consultation in order that the Cabinet can set maximum fares for journeys carried out by South Oxfordshire licensed hackney carriages within the South Oxfordshire district.

### Corporate objectives

2. The relevant strategic objectives are 'Openness and accountability' and 'Improved economic and community wellbeing'.

## Background

3. The fares for journeys carried out by South Oxfordshire licensed hackney carriages within the South Oxfordshire district were originally set to take effect from 1 October 2022 and can be found at **Appendix A**. The tariff is a maximum, so drivers can choose to charge passengers a lower rate if they wish.

## Consultation tariff

4. Section 65 of the Local Government (Miscellaneous Provisions Act) 1976 sets out the power of a local authority to set fares. The local authority is required to publish a notice setting out the table of fares in at least one local newspaper circulating in the district. The notice must provide details of where objections should be addressed and the period within which they can be made. This period must be no less than fourteen days from the date of first publication of the notice. The notice must also be available for inspection at the council's offices free of charge.
5. The consultation tariff which was advertised as set out above is attached at **Appendix B**. This was devised using a model which was established by Guildford Borough Council and takes a number of different factors into account, as shown in **Appendix C**.
6. The Guildford model was the subject of a Judicial Review by Guildford's taxi trade, but the challenge was dismissed with the Judge finding comprehensively in Guildford Borough Council's favour, so the model is considered legally robust. In his findings, the Judge considered it reasonable, in the absence of consultation data from the trade, to take the average costs of owning and running a normal vehicle in a relevant price band as a starting point for considering what costs to allow in the calculation of the table of fares. The Judge also took the view that if the taxi trade considered that estimates of the costs that such a driver incurs were incorrect the operators of hackney carriages only had themselves to blame for not submitting sufficient reliable evidence on such costs in the consultations that Guildford had conducted. The Judge also found that Guildford was justified in selecting Automobile Association (AA) data over other sources, provided it was adjusted to the taxi trade as necessary.
7. In addition to the legal process set out above, we also carried out a consultation which ran from 31 January to 19 February 2024. A survey link was sent directly to all 344 hackney carriage proprietors who between them hold licences for 433 hackney carriage vehicles, and details and a link to the survey were included in the taxi newsletter sent to all licence holders on 12 February 2024. We also held a drop-in session at Great Western Park District Centre on Tuesday 6 February and officers have visited each of the ranks in the district at least twice during that period, both during the daytime and out of hours. To ensure the public had the opportunity to comment, the survey link was also sent to the Council's corporate consultation database.
8. 53 survey responses were received. Data from the consultation team confirms that 291 of the 344 recipients (85%) opened the email, and 95 (28%) clicked through to the survey.
9. A report on the results of the consultation can be found at **Appendix D**. No additional comments were received in response to the newspaper notice. None of the responses to the consultation specifically objected to the use of the Guildford model for calculating the tariff of the figures. However the South and Vale Taxi Driver Association responded

to say that they thought the proposed tariff was too low and suggested an alternative. Information about this proposal is below.

### **South and Vale Taxi Driver Association – Alternative proposal**

10. As part of their response, the South and Vale Taxi Driver Association ('SVTDA') have proposed an alternative tariff which can be found at **Appendix E**.
11. Apart from the figures proposed being higher than the consultation tariff at Appendix B, there are the following differences to the days/times upon which the tariff would apply that have been noted:
  - a) In the consultation tariff, the period 02:00 – 05:59 would be Tariff 3, using the SVTDA proposal it would be Tariff 2.
  - b) In the consultation tariff, the period 20:00 – 21:59 on Christmas Eve and New Year's Eve would be Tariff 2, using the SVTDA proposal it would be Tariff 1 as these are not bank/public holidays.
  - c) In the consultation tariff, the period 22:00 – 23:59 on Christmas Eve and New Year's Eve would be Tariff 2, using the SVTDA proposal it would be Tariff 3.
  - d) In the consultation tariff, the period 06:00 – 06:59 on 27 December would be Tariff 1, unless it is a public holiday in which case Tariff 2 would apply. Using the SVTDA proposal it would be Tariff 3.
  - e) In the consultation tariff, the period 07:00 – 23:59 on 1 January would be Tariff 3, using the SVTDA proposal it would be Tariff 2.
12. Following the consultation confirmation was sought from SVTDA about how their proposed tariff was calculated. Their response can be found in **Appendix F**.
13. It is noted that the information provided on property rental relates only to properties within one mile of the centre to Henley-on-Thames rather than the whole of South Oxfordshire, and that the Office for National Statistics state that median figures should be used to give a 'typical' average as the mean figure can be skewed by extreme outliers. Taking the median rental prices provided by the SVTDA, the rental prices for Guildford are in fact higher than Henley.
14. For clarification, as set out in Appendix C, the data used in the Guildford model to calculate the tariff takes into account up to date average (median) salary data for the district. Additionally, the costs of running a vehicle are included. These are based on data from the AA which was last published in 2014, but this has been adjusted for the taxi trade and increased in line with annual inflation since 2014.
15. Whilst it is noted that the SVTDA would like a tariff that is closer to that of Guildford Borough Council, taxi drivers in Guildford do have additional costs compared to drivers in South Oxfordshire which are taken into account in the Guildford model. These include the costs of annual rank fees, vehicle livery, compulsory CCTV, compulsory card payment terminals, and the requirement for drivers to obtain a Level 2 Certificate (BTEC or NVQ) in the Introduction to Role of the Professional Taxi and Private Hire Driver.

16. If adopted this alternative proposal will be the 6<sup>th</sup> highest tariff in the country (out of 340 councils) for a two mile journey on Tariff 1. This is based on data accessed at [www.phtm.co.uk/taxi-fares-league-tables](http://www.phtm.co.uk/taxi-fares-league-tables) on 9 April 2024.

## Proposed fares

17. Having reviewed the results of the consultation, officers have incorporated some amendments into the proposed new tariff at **Appendix G**. These amendments are those proposed in paragraph 11 (c) and (d) above. It was noted that the proposed amendments in paragraph 11 (a), (b) and (e) were not generally favourable to the trade so these have not been included in the amendments.

18. If we adopt the tariff proposed in **Appendix G**, South Oxfordshire will be the 13<sup>th</sup> highest tariff in the country (out of 340 councils) for a two mile journey on Tariff 1. This is based on data accessed at [www.phtm.co.uk/taxi-fares-league-tables](http://www.phtm.co.uk/taxi-fares-league-tables) on 9 April 2024. A table of the 20 highest fares including the year the tariff was last changed by that council is shown below.

Position	Council	Two mile fare	Last change
1	London (Heathrow)	£13.00	2023
2	Luton Airport	£12.60	2024
3	TfL (London)	£11.00	2024
4	Epsom & Ewell	£10.60	2023
5	Guildford	£10.00	2022
6=	Caradon	£9.60	2023
6=	North Cornwall	£9.60	2022
8	Elmbridge	£9.50	2023
9	Jersey	£9.26	2023
10	Carrick	£9.20	2024
11	St Albans	£9.15	2023
12	Reading	£9.00	2023
13	Midlothian	£8.80	2022
14=	Brighton & Hove	£8.70	2024
14=	Guernsey	£8.70	2023
14=	Sevenoaks	£8.70	2022
14=	Woking	£8.70	2022
18	West Berkshire	£8.60	2023
19	Penwith	£8.52	2022
20=	Arun	£8.50	2024
20=	Clackmannan	£8.50	2023
20=	Great Yarmouth	£8.50	2022

20=	Stroud	£8.50	2023
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The figures for some neighbouring local authorities can be found in the table below.

52	Oxford City	£8.08	2024
153	Cotswold	£7.10	2022
77	Swindon	£7.70	2022
111	West Oxfordshire	£7.40	2022
295	Buckinghamshire	£6.00	2021
338	Cherwell	£5.08	2022

## Implementation

19. The new fares would take effect from 20 April 2024 and drivers will be given a period of one month to get their meters updated with their meter company representative and tested by one of the authorised garages.

## Future reviews

20. Should the Cabinet choose to use the Guildford model, it is proposed that a review of the fares be carried out annually using the same model.

## Options

21. The Cabinet may further alter the figures in **Appendix G** as they consider appropriate, or they can choose to use the tariff in **Appendix E**.
22. The council is not obliged to set a tariff, however doing so ensures that members of the public are charged a fair rate when using hackney carriages within the district.

## Financial Implications

23. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. For South, the position reflected in the council's medium-term financial plan (MTFP) as reported to full Council in February 2023 showed that it is due to receive £644,000 less in revenue funding than it plans to spend in 2023/24 (with the balance coming from reserves), with this budget gap expected to continue in future years. However there is great uncertainty over this caused by a lack of clarity from government.
24. The future funding gap is predicted to increase to over £8.5 million by 2027/28, based on current cautious officer estimates of future funding levels. Whilst it is anticipated that overall funding for the council will remain relatively unchanged in 2024/25, the lack of certainty on future local government funding from 2025/26 onwards means the level of funding, and the resulting estimated funding gap, could be significantly different from current officer estimates in either a positive or negative way. Every financial decision, particularly those involving long-term funding commitments (i.e. those beyond 2024/25), needs to be cognisant of the potential for significant funding gaps in future years.

25. There are no anticipated financial implications arising from the adoption of the proposed policy.

### **Legal Implications**

26. Failure to follow statutory or administrative requirements could leave the council open to legal challenge by way of Judicial Review.

27. As set out in the report the statutory requirements to be followed for the fixing of rates or fares for journeys and all other charges in connection with the hire of a hackney carriage within the district are set out in Section 65(1) of the Local Government (Miscellaneous Provisions) Act 1976( "the Act") and section 65(4) of the Act requires that where there are objections to a proposed set of fares, the district council shall set a further date, not later than two months after the first specified date on which the fares shall come into force with or without modifications as decided by them after consideration of the objections.

28. Under section 65(6), on the coming into operation of a table of fares made by a council under this section for the district, any table of fares previously made shall cease to have effect.

### **Climate and ecological impact implications**

29. There are no anticipated climate and ecological implications arising from the adoption of the proposed policy.

### **Equalities implications**

30. The equalities implications identified are deemed to be low risk. A higher tariff may negatively impact on users that need to use taxis, such as older persons and those with disabilities. The council will continue to promote the ability for drivers to charge less than the maximum, and to encourage customers to agree a lower fare in advance.

### **Risks**

31. Failure to properly consider the objections and failure to set the new fares to take effect from 20 April 2024 could result in the council not complying with the relevant legislation as detailed above.

### **Other Implications**

32. None identified.

### **Conclusion**

33. Cabinet is recommended to

- (a) consider the results of the consultation at **Appendix D**
- (b) adopt the proposed maximum hackney carriage fares at **Appendix G** with effect from 20 April 2024
- (c) subject to (b) above, agree that the tariff is reviewed annually using the Guildford model.

## **Background Papers**

- Appendix A – Current hackney carriage fares
- Appendix B – Consultation tariff
- Appendix C – Information on how fares were calculated
- Appendix D – Report on consultation
- Appendix E – SVTDA proposed tariff
- Appendix F – SVTDA response
- Appendix G – Proposed tariff