

Arun District Council

REPORT TO:	Licensing Committee 23 February 2024
SUBJECT:	Taxi Fare Setting
LEAD OFFICER:	Karl Roberts – Director Growth
LEAD MEMBER:	Councillor Blanchard-Cooper – Chair of Licensing
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: Fulfilling Arun’s economic potential by ensuring taxi fares are set an appropriate level to maintain this important transport option across the district, with fares that are still accessible to the public and viable as a business.	
DIRECTORATE POLICY CONTEXT: The Hackney Carriage and Private Hire Licensing Policy and Handbook sets out Arun’s arrangements for setting and reviewing taxi fares. The local authority sets the maximum fare which can be negotiated downwards by the hirer.	
FINANCIAL SUMMARY: There is no direct financial impact to the Council. This relates to what drivers may charge customers.	

1. PURPOSE OF REPORT

1.1 To seek approval for a table of taxi fares for 2024-2025.

2. RECOMMENDATIONS

2.1 That Licensing Committee approve the table of fares as set out in Appendix 2, with effect from 1 April 2024.

3. EXECUTIVE SUMMARY

3.1. The fares charged to customers using Hackney Carriages (Taxis) are reviewed and set each year. This report provides information to be considered for the setting of fares for the period of 1 April 2024 to 31 March 2025.

4. DETAIL

4.1. Each year Hackney Carriage license holders are consulted regarding the fares charged to customers. The proposed table of fares is advertised in a local newspaper, inviting comments for a period of fourteen days.

- 4.2. Officers have considered the taxi trade representations, fuel prices and prepared a proposed table of fares.
- 4.3. After the consultation period has ended the proposal and any comments that have been received are brought to the committee for final agreement. If objections to the proposed fares are received and are not withdrawn, the committee shall set a further date, not later than two months after the first specified date (in this case 1 April 2024) on which the table of fares shall come in to force with or without modifications after consideration of the objections.
- 4.4. If no objections are received and the committee does not make any modifications, the table of fares comes into effect on 1 April 2024.
- 4.5. This year officers consulted with members of the taxi trade asking for their comments regarding the taxi fares. A total of 250 drivers were consulted and 59 responses were received. A copy of the responses is included at Appendix 1.
- 4.6. Last year committee approved an increase in fares of 50p on the flag drop (from £3.00 to £3.50); increase on the first mile of 40p (from £4.60 to £5.00) and an increase of 40p on the second and subsequent miles (from £2.60 to £3.00).
- 4.7. Officers have monitored fuel prices (diesel) over the last 12 months using a fuel comparison website and prices have fluctuated between high of £1.71 and low of £1.44 per litre with an average price of £1.58. Having taken into consideration the average fuel prices, the current cost of living, and consultation feedback from the taxi trade, it is proposed to increase fares for the period 2024/25. The proposed fare structure is an increase of 50p on the flag drop (from £3.50 to £4.00); increase on the first mile of 50p (from £5.00 to £5.50) with no increase the second and subsequent miles which remains at £3.00. The proposed fares for 2024/5 are shown in Appendix 2.
- 4.8. If Committee determine to agree any modifications to the proposed fare structure, they may decide a new date, not later than two months after the original proposed date, this being 1 April 2024, when the modified fares will take effect.
- 4.10. If no objections or modifications to the fares are agreed the proposed fares will take effect from 1 April 2024.
- 4.11. The proposed table of fares includes a provision for increasing fares if fuel prices rise significantly within the year. If diesel prices reach the trigger level of £2.30 per litre for a period of one month during the period 1 April 2024 to 31 March 2025, then the emergency fare would apply. This equates to £5.70 for the first mile and £3.20 for each subsequent mile. To avoid any delay, this was included when the proposed fees were advertised.
- 4.12. **Local Government (Miscellaneous Provisions) Act 1976 section 65**

(1) A district council may fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section.

(2)(a) When a district council make or vary a table of fares they shall publish in at least one local newspaper circulating in the district a notice setting out the table of fares or the variation thereof and specifying the period, which shall not be less than fourteen days from the date of the first publication of the notice, within which the manner in which objections to the table of fares or variation can be made.

(b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of fourteen days from the date of the first publication thereof be deposited at the offices of the council which published the notice and shall at all reasonable hours be open to public inspection without payment.

(3) If no objection to a table of fares or variation is duly made within the period specified in the notice referred to in subsection (2) of this section, or if all objections so made are withdrawn, the table of fare or variations shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one, of the last objection, whichever is the latter.

(4) If objection is duly made as aforesaid and is not withdrawn, the district council shall set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.

(5) A table of fares made or varied under this section shall have effect for the purpose of the Act of 1847 as if it were included in hackney carriage byelaws made thereunder.

(6) On the coming into operation of a table of fares made by a council under this section for the district, any hackney carriage byelaws fixing the rates and fares, or any table of fares previously made under this section for the district, as the case may be, shall cease to have effect.

(7) Section 236(8) (except the words "when confirmed") and section 238 of the Local Government Act 1972 (except paragraphs (c) and (d) of that section) shall extend and apply to a table of fares made or varied under this section as they apply to byelaws made by a district council.

5. CONSULTATION

- 5.1. The taxi trade were consulted on fares for 2024/25 and their responses can be found in Appendix 1. There were 59 responses to the survey; 31 (52.5%) were in favour of increasing the flag drop, with 13 (45%) suggesting an increase this by 50p (or to £4). Full responses received are provided in appendix 1.
- 5.2. Members of the public were consulted through advertising in a local newspaper. The proposed fare was advertised in a local newspaper circulating in the district providing a period of 14 days for comments. No comments or objections were received.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. Not to increase taxi fares, or to increase fares by a different amount. It is officers view that it is necessary to increase the fees to help maintain a viable taxi service within Arun, particularly given fuel prices have remained relatively high and considering other likely cost increases resulting from high inflation. To increase fares by a higher level would risk making them unaffordable. It is noted that drivers may choose to not increase the fare level on the meter, although they are limited to charging no more than the maximum approved fares.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.1 Taxi fares have been set in accordance with guidelines, these do not impact on the Arun's finances.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. If agreement is not reached on the new fares, the existing fares would be retained. Should this be the case it may impact the viability of taxi operations

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, allows the Council to set the maximum costs and fares that drivers may charge the public for journeys taken in a hackney carriage (taxi). The regulation of hackney carriage fares is therefore a discretionary power "A district council may fix the rates or fares within the district", taxi fares are regulated by district / borough tier authorities with licensing functions. The amount charged is also regulated by the Arun Council's Hackney Carriage Byelaws 18 - 21.

- 9.2. Detailed provisions of the Act are set out above at 4.12.

10. HUMAN RESOURCES IMPACT

- 10.1. No direct human resource impacts identified.

11. HEALTH & SAFETY IMPACT

- 11.1. No direct health and safety impacts identified.

12. PROPERTY & ESTATES IMPACT

- 12.1 No property and estates impacts identified.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1. Taxis are a useful means of transport to service those communities where the transport services are infrequent or difficult to get to. Fares are set to ensure there is a balance between the drivers earning a reasonable income and what would be a reasonable cost to the public to use the service. The fare is the maximum that may be charged for the journey, but this may be discounted by the driver. The charge is for the carriage of the person and so there is no difference in the price for using a normal vehicle or one used for transporting wheelchair users or those passengers who have assistance dogs.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 There are no direct impacts from the proposals.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1 None for the purposes of this report.

16. HUMAN RIGHTS IMPACT

16.1 None for the purposes of this report.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 None for the purposes of this report.

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

Appendix 1: Consultation responses

Appendix 2: Proposed Table of Fares

Appendix 3: Equality Impact Assessment

[Licensing Committee Minutes 3 March 2023 - Item 6 - Taxi Fare Setting 2023-24](#)

[Taxi fare card 1 April 2023 to 31 March 2024 | Arun District Council](#)

[Taxi licensing Policy 2017](#)

