

# **Report to Licensing Committee**

**Date of meeting: 1<sup>st</sup> November 2022**

**Subject: Taxi Tariff**



**Epping Forest  
District Council**

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**Committee Secretary:** A Hendry, 01992 564246

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There has not been a fare tariff increase since 2014 and taking into consideration current fuel prices, cost of living, inflation and EFDC's low ranking both nationally and locally compared with other local authority's taxi tariffs, it is recommended that options 1, 2, 3 or 4 be considered.

## **Decision Required:**

**For the Committee to consider the report and agree the recommendations at detailed within the report.**

### **1. Background**

- 1.1. At Licensing Committee in March, Members were advised that following concerns expressed by the licensed taxi trade, the Councils Licensing Team would undertake a review of taxi fares applied to customers using a Hackney carriage within the district.
- 1.2. Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976, any charge made by a Hackney carriage, must not exceed the table of fares published by the licensing authority, irrespective of how that journey was arranged (from a rank or street, being hailed or pre-booking the journey).
- 1.3. Before any published fares can be increased the Council must undertake consultation with the trade and public consultation by way of placing a public notice in a local newspaper. The consultation period must last no less than 14 days.
- 1.4. The current fee tariff has not been reviewed for the last 8 years and was scheduled to be reviewed as part of the wider taxi policy review. However, due to the ongoing unprecedented fuel and cost of living increases, it has been necessary to bring that review forward to support our licensed taxi trade.

## 2. Fuel Prices & Inflation

2.1. Fuel prices, cost of living and inflation have increased significantly since 2014. Inflation reached 10.1% in July 2022 (source Office for National Statistics) which is the highest since 1982 and the Bank of England forecast is that it will increase to 11% in the Autumn.

2.2. This in part is due to increased fuel prices, where we have seen an approximate 44% increase in diesel and a 42% increase in petrol since 2014, (Source RAC <https://www.racfoundation.org/data/uk-pump-prices-over-time> )

Year	Fuel	Price per litre	Date	Percentage Increase
2014	Petrol	£130.05	28/07/2014	N/A
2014	Diesel	£134.87	28/07/2014	N/A
2022	Petrol	£184.05	01/08/2018	41.8%
2022	Diesel	£193.09	01/08/2018	43.7%

## 3. Benchmarking

3.1. Benchmarking in March 22 showed that based on an average 2-mile fare, Epping Forest District Councils tariff is the lowest in Essex and we were ranked 279<sup>TH</sup> lowest nationwide out of 355 Councils.

Council	2 Mile Fare	Essex Ranking	National Ranking
Uttlesford	£8.30	1	6
Chelmsford	£7.10	2	24
Colchester	£6.90	3	40
Brentwood	£6.60	4	71
Harlow	£6.60	4	76
Basildon	£6.40	5	96
Tendering	£6.40	5	119
Southend on Sea	£6.40	5	116
Braintree	£6.20	6	140
Rochford	£6.20	6	151
Thurrock	£6.00	7	199
Castle Point	£6.00	7	178
Epping Forest	£5.50	8	310
Maldon	negotiate individual fares	Unknown	Unknown

3.2. Further benchmarking in August 2022 shows that we have now fallen further behind and remain the lowest in Essex.

Council	2 Mile Fare	Essex Ranking	National Ranking	% Increase since March
Uttlesford	£8.30	1	9	0%
Brentwood	£8.10	2	71	23%
Chelmsford	£7.70	3	28	8%
Colchester	£6.90	4	93	0%
Southend on Sea*	£6.80 (includes £0.40 surcharge)	5	118	6%
Tendering	£6.80	5	118	6%
Braintree	£6.70	6	124	8%
Harlow	£6.60	7	143	0%
Basildon	£6.40	8	165	0%
Castle Point	£6.40	8	167	7%
Rochford	£6.20	9	215	0%
Thurrock	£6.00	10	262	0%
Epping Forest	£5.50	11	310	0%
Maldon	negotiate individual fares	Unknown	Unknown	

\*Southend on Sea have recently agreed an additional fuel surcharge fee of £0.40 for a period of 12 months.

This information is based on the Hackney Carriage 'league table' of all 355 Councils published on the Private Hire & Taxi Monthly trade magazine. This is the official publication of the National Private Hire & Taxi Association and is updated monthly.

#### 4. Sustainable Transport Agenda

- 4.1. As part of the Councils Sustainable Transport Agenda and meeting the Councils climate change objectives, one of the aims is increase the provision of electric charging points and to encourage taxi drivers towards use of electric vehicles (EV) in the district.
- 4.2. Switching to EV is in many ways ideal for the taxi and minicab trade – high local mileage, lower running, and maintenance costs, improved reliability, proven in the London market (black cab and minicab/Uber).
- 4.3. However, whilst there are undoubtedly a number of incentives to make this switch, a recent survey with Epping Forest local taxi trade shows that there are very few EV minicabs operating in our district and there are a number of barriers to switching to greener vehicles. Key findings of the survey highlighted:
  - Average age of taxi fleet is 8.6 years, with 38% of vehicles being over 10 years old
  - 18% of vehicles would incur current A406 ULEZ charge\* (or any possible CAZ equivalent based on same)
  - Whilst non-plug-in hybrid vehicles are common (36%), diesel is the fuel of choice for 51% and plug-in hybrid and EV are almost non-existent.

- Almost all vehicles are kept at home overnight, but 56% have no viable way to charge at home (this appears higher than the general population where 36% of local homes are estimated to have no off-street parking).
- Even pre-Covid, 80% of drivers were doing average daily mileages well within the range of a modern EV in a fully charged state although the typical “very busy” day pre-Covid would have likely meant a top-up charge during the day for around 45%
- A quarter had considered or are considering switching to EV
- Across all respondents, the main benefits of EV were seen as: low running and maintenance costs, high reliability, and avoidance of ULEZ type charges
- The main barriers to adoption were unaffordable initial acquisition costs, lack of public charging points and range anxiety
- If a way were found to soften the blow of upfront cost, the % prepared to switch to EV increased to 30% with a further 30% unsure (*source EFDC licensed minicab & taxi Survey/Taxi and EV update SLJ*)

4.4. It is clear from the survey that we are operating with a high emission fleet and the high perceived upfront costs of switching to EV along with lack of charging points is a barrier.

4.5. However, if the taxi tariff were to increase along with the other financial incentives, the transfer to EV would be more affordable and it is likely that we will see an increase within the local taxi trade.

## 5. Consultation with the Licensed Taxi Trade

5.1. Informal consultation has been undertaken with the trade earlier this year however, consultation was limited to those who had previously contacted us to request an increase.

5.2. The purpose of the consultation was to make the process as inclusive as possible and to invite Epping Forest taxi trade’s view on what would be considered an acceptable tariff going forward.

5.3. Whilst there is undoubtedly unanimous agreement within the trade that the current fee is far too low, we have received little constructive feedback in terms of what that increase should be. However, one response received suggested that the rate should be increased as follows:

- Day rate - from £3.50 to £5 for the first mile or part thereof and an increase from £0.20 to £0.30 for each additional unit of 176 yards or part thereof.
- Night rate – from £3.70 to £5.50 for the first mile or part thereof and £0.30 for each additional unit of 176 yards or part thereof to remain unchanged.
- This would increase the average 2-mile journey fare to £8.00 from the current £5.50 (daytime) and to £8.50 from £6.70 between 10pm & 6am.

**This would make Epping Forest District Councils tariff the third highest in Essex.**

## Current Tariff

	Minimum daytime fare for up to 1 mile	Each additional unit of 176 yards (160.9m) or part thereof	Average 2-mile journey
Rate 1 - hiring between 6am & 10pm Monday to Saturday	3.50	£0.20 (£2.00 per mile)	£5.50
Rate 2 - hiring between 10pm and 6am Monday to Friday	£3.70	£0.30 (£3.00 per mile)	£6.70
Rate 3 - hiring on Christmas Day, Boxing Day, New Year's Day and after 18.00 on Christmas Eve and NYE	£4.10	£0.40 (£4.00 per mile)	£8.10
Rate 4 – hiring on Christmas Day, Boxing Day, New Year's Day and after 18.00 on Christmas Eve and NYE	£5.50	£0.50 (£5.00 per mile)	£10.50

### Summary of above charges

- Rate 1 - up to 4 passengers, minimum daytime fare is £3.50 for up to 1 mile, thereafter, charged at a rate of £2.00 per mile in 20p increments.
- Rate 2 - can be used as a night/Sunday rate – or – if a multi-seater vehicle carrying in excess of 4 passengers during daytime.
- Rate 3 - double fare commonly used at Christmas/New Year holiday period or when a multi-seater vehicle carrying in excess of 4/6 passengers during night-time/Sunday hour.
- Rate 4 only to be used by vehicles carrying 6/8 passengers on public holidays
- Additional Charges
- Waiting time is £18.00 per hour, in 20p increments (90 x 20 second periods = 1 hr i.e., 3600 seconds)
- Assistance Dogs – No additional Charge
- All other dogs, carried at drivers' discretion – No charge
- Fouling of vehicle at the discretion of driver, up to £70.00

## 6. Options available to the Council

### Option 1

Increase tariff for the first 1760 yards (1 mile) across tariffs rates 1,2,3 and 4 by £0.75 and by £0.05 for each additional unit of 176 yards or part thereof or period of 40 seconds.

	Minimum daytime fare for up to 1 mile	Each additional unit of 176 yards (160.9m) or part thereof	Average 2-mile journey
Rate 1 - hiring between 6am & 10pm Mon to Sat	£4.25	£0.25 (£2.50 per mile)	£6.75
Rate 2 - hiring between 10pm & 6am Mon to Fri	£4.45	£0.35 (£3.50 per mile)	£7.95

Rate 3 - hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas & NYE	£4.85	£0.45 (£4.50 per mile)	£9.35
Rate 4 – hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas and NYE	£6.25	£0.55 (£5.50 per mile)	£11.75

#### Summary of above charges

- Rate 1 - up to 4 passengers, minimum daytime fare is £4.25 for up to 1 mile, thereafter, charged at a rate of £2.50 per mile in 25p increments.
- Rate 2 - can be used as a night/Sunday rate – or – if a multi-seater vehicle carrying in excess of 4 passengers during daytime.
- Rate 3 - double fare commonly used at Christmas/New Year holiday period or when a multi-seater vehicle carrying in excess of 4/6 passengers during night-time/Sunday hour.
- Rate 4 only to be used by vehicles carrying 6/8 passengers on public holidays
- Additional Charges
- Waiting time is £22.50 per hour, in 25p increments (90 x 40 second periods = 1 hr i.e., 3600 seconds)
- Assistance Dogs – No additional Charge
- All other dogs, carried at drivers' discretion – No charge
- Fouling of vehicle at the discretion of driver, up to £80.00

**This option would make EFDC tariff 6<sup>th</sup> highest in Essex per 2-mile trip**

#### Option 2

Increase tariff for the first 1760 yards (1 mile) across tariffs rates 1,2,3 and 4 by £0.75 and by £0.10 for each additional unit of 176 yards or part thereof or period of 40 seconds

	Minimum daytime fare for up to 1 mile	Each additional unit of 176 yards (160.9m) or part thereof	Average 2-mile journey
Rate 1 - hiring between 6am & 10pm Mon to Sat	£4.25	£0.30 (£3.00 per mile)	£7.25
Rate 2 - hiring between 10pm & 6am Mon to Fri	£4.45	£0.40 (£4.00 per mile)	£8.45
Rate 3 - hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas & NYE	£4.85	£0.50 (£5.00 per mile)	£9.85
Rate 4 – hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas and NYE	£6.25	£0.60 (£6.00 per mile)	£12.25

#### Summary of above charges

- Rate 1 Up to 4 passengers, minimum daytime fare is £4.25 for up to 1 mile, thereafter, charged at a rate of £3.00 per mile in 30p increments.
- Rate 2 can be used as a night/Sunday rate – or – if a multi-seater vehicle carrying in excess of 4 passengers during daytime.

- Rate 3 double fare commonly used at Christmas/New Year holiday period or when a multi-seater vehicle carrying in excess of 4/6 passengers during night-time/Sunday hour.
- Rate 4 only to be used by vehicles carrying 6/8 passengers on public holidays
- Additional Charges
- Waiting time is £27.00 per hour, in 30p increments (90 x 40 second periods = 1 hr i.e., 3600 seconds)
- Assistance Dogs – No additional Charge
- All other dogs, carried at drivers' discretion – No charge
- Fouling of vehicle at the discretion of driver, up to £80.00

**This option would make EFDC tariff 4<sup>th</sup> highest in Essex per 2-mile trip**

### Option 3

Increase tariff for the first 1760 yards (1 mile) across tariffs rates 1,2,3 and 4 by £1.00 and by £0.30 for each additional unit of 176 yards or part thereof or period of 40 seconds.

	Minimum daytime fare for up to 1 mile	Each additional unit of 176 yards (160.9m) or part thereof	Average 2-mile journey
Rate 1 - hiring between 6am & 10pm Mon to Sat	£4.50	£0.30 (£3.00 per mile)	£7.50
Rate 2 - hiring between 10pm & 6am Mon to Fri	£4.70	£0.40 (£4.00 per mile)	£8.70
Rate 3 - hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas & NYE	£5.10	£0.50 (£5.00 per mile)	£10.10
Rate 4 – hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas and NYE	£6.50	£0.60 (£6.00 per mile)	£12.50

### Summary of above charges

- Rate 1 Up to 4 passengers, minimum daytime fare is £4.50 for up to 1 mile, thereafter, charged at a rate of £3.00 per mile in 30p increments.
- Rate 2 can be used as a night/Sunday rate – or – if a multi-seater vehicle carrying in excess of 4 passengers during daytime.
- Rate 3 double fare commonly used at Christmas/New Year holiday period or when a multi-seater vehicle carrying in excess of 4/6 passengers during night-time/Sunday hour.
- Rate 4 only to be used by vehicles carrying 6/8 passengers on public holidays
- Additional Charges
- Waiting time is £27.00 per hour, in 30p increments (90 x 40 second periods = 1 hr i.e., 3600 seconds)
- Assistance Dogs – No additional Charge
- All other dogs, carried at drivers' discretion – No charge
- Fouling of vehicle at the discretion of driver, up to £80.00

**This option would make EFDC tariff 4<sup>th</sup> highest in Essex per 2-mile trip**

#### Option 4 (suggested by taxi trade)

Increase tariff for the first 1760 yards (1 mile) across tariffs rates 1,2,3 and 4 by £1.50 and £0.30 for each additional unit of 176 yards or part thereof or period of 40 seconds.

	Minimum daytime fare for up to 1 mile	Each additional unit of 176 yards (160.9m) or part thereof	Average 2-mile journey
Rate 1 - hiring between 6am & 10pm Mon to Sat	£5.00	£0.30 (£3.00 per mile)	£8.00
Rate 2 - hiring between 10pm & 6am Mon to Fri	£5.20	£0.30 (£3.00 per mile)	£8.20
Rate 3 - hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas & NYE	£5.60	£0.40 (£4.00 per mile)	£9.60
Rate 4 – hiring on Christmas, Boxing & New Year's Day and after 6pm on Christmas and NYE	£7.00	£0.50 (£5.00 per mile)	£12.00

#### Summary of above charges

- Rate 1 Up to 4 passengers, minimum daytime fare is £5.00 for up to 1 mile, thereafter, charged at a rate of £3.00 per mile in 30p increments.
- Rate 2 can be used as a night/Sunday rate – or – if a multi-seater vehicle carrying in excess of 4 passengers during daytime.
- Rate 3 double fare commonly used at Christmas/New Year holiday period or when a multi-seater vehicle carrying in excess of 4/6 passengers during night-time/Sunday hour.
- Rate 4 only to be used by vehicles carrying 6/8 passengers on public holidays
- Additional Charges
- Waiting time is £27.00 per hour, in 30p increments (90 x 40 second periods = 1 hr i.e., 3600 seconds)
- Assistance Dogs – No additional Charge
- All other dogs, carried at drivers' discretion – No charge
- Fouling of vehicle at the discretion of driver, up to £80.00

#### **This option would make EFDC tariff 3<sup>rd</sup> highest in Essex per 2-mile trip**

All fare options are inclusive of VAT and do not include 'toll or congestion charges. Airport bookings, West End and out of area bookings to be agreed by the operator and passenger before the journey commences.

Drivers of Hackney Carriages are permitted to agree a fare less than the amount shown on the meter. However, the meter must be activated on every journey and the fare charged must never exceed the amount shown on arrival



## 7. Recommendation

- i. There has been no fare tariff increase since 2014 and taking into consideration current fuel prices, cost of living, inflation and EFDC's low ranking both nationally and locally compared with other local authority's taxi tariffs, it is recommended that options 1, 2, 3 or 4 be considered.
- ii. It is also recommended that the fee agreed be reviewed every 12 months – 24 months or sooner upon request or where circumstances warrant.
- iii. The legal process for changing the tariff requires the Council to advertise it in a local newspaper circulating in the area. The advert is to state when the proposal will come into effect if there is no objection.
- iv. Where objections are received, these must be referred to the Council for consideration prior to implementation. If after consideration of any objections the Council decides to proceed, the tariff will come into effect on the date stated in the advertisement.
- v. Previously EFDC has opted to consult directly with the trade before a firm proposal is made, this is a sensible option and promotes inclusivity with the trade.
- vi. Whilst we have liaised with our taxi trade earlier this year, this has been limited in number and only to canvass what their view on the recommended increase should be. Constructive feedback from the trade was limited however, I anticipate that by outlining our proposed increase, it is more likely that the trade will be engage and offer constructive opinion on what they would consider a reasonable and acceptable tariff going forward.

Once the informal consultation has been undertaken the Council can then consider responses and determine how it wishes to proceed.

It should be noted that setting Hackney carriage fares is a function of the Executive and therefore cannot be undertaken by a regulatory committee or full Council.

### **Appendix A – EFDC Current Taxi Tariff**