

Report Title:	Proposed Changes to the RBWM Hackney Carriage Tariff and An Associated Amendment to Policy & Conditions
Contains Confidential or Exempt Information?	No – Part 1
Member reporting:	Councillor Cannon, Lead Member for Public Protection
Meeting and Date:	Licensing Panel 10 February 2020
Responsible Officer:	David Scott, Head of Communities
Wards affected:	All

SUMMARY

1. The tariff that RBWM licenced hackney carriage (taxi) drivers use to calculate the fares that they charge is set by the RBWM Licensing Panel and set out in the Royal Borough of Windsor and Maidenhead Hackney Carriage Tariff ("the tariff")
2. The majority of hackney driver representatives have requested an increase in the main tariff and other changes to the charges that they can impose.
3. This report sets out options for changes to the tariff and an associated change to the RBWM Hackney Carriage Driver and Vehicle Policy & Conditions ("the Policy")

1. DETAILS OF RECOMMENDATION

RECOMMENDATION: That the Licensing Panel notes the report and:

- i) Makes a decision on each of the options for change set out in this report in Table 3 to Table 8

2. REASONS FOR RECOMMENDATIONS AND OPTIONS CONSIDERED

- 2.1 The current Royal Borough of Windsor and Maidenhead Hackney Carriage Tariff is set out in Appendix A.
- 2.2 Some of the hackney drivers have requested;
 - an increase in the basic tariff, Tariff 1 (with an equivalent increase in Tariff 2)
 - an increase in the charge levied when carrying larger numbers of passengers to reflect the extra duties required / costs incurred
- 2.3 The current tariff (Appendix A) was set by the Licensing Panel in October 2016 and provided a 15% increase on the previous tariff.

- 2.4 The preceding tariff increase before this was in 2014. That saw an increase of 3% in the tariff and the introduction of an extra 20p charge for each extra passenger for three or more passengers
- 2.5 Most of the representatives of the hackney drivers have said that the tariff needs to be increased because;
- the cost of living has increased since the last review of the tariff in 2016 so, in effect, they have not had a pay rise since then. They argue that many drivers are struggling to make a reasonable living unless they work unacceptably long hours.
 - the costs of fuel and vehicle maintenance have increased since 2016
 - RBWM has fallen behind neighbouring licensing authorities in the fares that the drivers can charge.
- 2.6 One of the representatives was strongly of the opinion that the tariff should not be increased because hackney carriage fares are already higher than those charged by Uber and some other private hire operators. He argued that any increase in the tariff would make the difference in fares even wider, meaning that passengers were more likely to use Uber or another private hire operator rather than a hackney carriage.
- 2.7 Whether RBWM licenced hackney carriage drivers can make a reasonable living is impossible to determine because their income is not known. However, it can be shown that there has been a gradual decrease in the numbers of new licences being issued and in the overall number of hackney carriage drivers licenced by RBWM since 2016, see Table 1

Table 1

Year	Number if new HC drivers licences issued	Overall number of HC drivers licences
2016	25	183
2017	15	169
2018	16	132
2019	12	146

(Note – this does not take into account the number of combined badges issued)

- 2.8 The average UK cost of diesel in October 2016 was 116.9p per litre, in September 2019 it was 131.4p, an increase of approximately 13% (<https://www.statista.com/statistics/299552/average-price-of-diesel-in-the-united-kingdom/>)
- 2.9 Inflation from 2016 to 2019 averages at 3.2% (Bank of England Inflation Calculator)
- 2.10 A simple comparison of tariffs between RBWM and neighbouring licensing authorities is set out in Appendix B based on the cost of a two mile journey in each area.
- 2.11 The RBWM tariff is lower than the other Berkshire licensing authorities and the Surrey authorities, but higher than most of the Buckinghamshire authorities. This means that the income of RBWM licenced drivers is less per two mile

journey than those drivers licenced by the other Berkshire authorities and the Surrey authorities

- 2.12 To set against the fares that drivers can charge are the costs that they incur to become a RBWM licenced hackney carriage driver. These are set out in Table 2;

Table 2

Annual Charges	
Hackney carriage vehicle licence	315
Hackney carriage drivers licence	100
Total Basic Annual Charges	415
Other RBWM Charges	
Knowledge test (once when first applying)	30
MOT and Vehicle Compliance Test (once or twice annually – depending on age of vehicle)	45
Meter installation and calibration (once when first installed)	250-500
DBS (when first applying then every three years)	44
Application of mandatory livery to vehicle (one-off payment)	170
Mandatory safeguarding training	21.60

- 2.13 The total basic annual charge (£415) has not been increased since the 2010/2011 financial year when a £60 surcharge per driver was introduced to contribute towards the cost of a taxi marshal in Windsor town centre.
- 2.14 Inflation from 2011 to 2018 averages at 2.6% (Bank of England Inflation Calculator). Had the basic annual charge kept pace with inflation it would now be £496.85
- 2.15 For a comparison with the total basic annual charge imposed by neighbouring licensing authorities, see Appendix C. As can be seen, whilst there is little consistency between the authorities listed, the RBWM basic annual charge is at the lower end of the scale
- 2.16 The other charges that RBWM drivers have to pay will have varied slightly since 2016 but exact figures are not available
- 2.17 The other request from the hackney carriage drivers is an increase in the charge levied when carrying larger numbers of passengers to reflect the extra duties required / costs incurred. For example, larger numbers of passengers take more time in picking up and dropping off, particularly when there is luggage involved
- 2.18 There is a demand for larger vehicles to carry groups of passenger who want to travel together. Private hire operators will impose a surcharge for a larger

vehicle to carry larger numbers of passengers and so it seems reasonable that the hackney carriages should be allowed to make a similar charge

- 2.19 There is also the fact that carrying larger numbers of people will cause more wear and tear to the vehicle, the tyres etc, and require more fuel, although this is difficult to quantify
- 2.20 The current RBWM tariff includes; "Extra Passengers: for Each Person Carried Above the Number of Two for the Whole or Part of the Distance – 20p". This is over complicated and permits only a very small extra charge
- 2.21 The drivers point to the fact that other licensing authorities permit extra charges for carrying five or more passengers. For example Slough BC permit 40p for each additional passenger over 2 passengers, and "time and a half" when carrying five or more passengers in vehicles designed to do so
- 2.22 The simplest way to add an extra charge for carrying larger numbers of passengers is to introduce a flat fee for carrying more than a set number. For example, a flat £1 when carrying four or more passengers.
- 2.23 Members are asked to consider the options set out in Table 3, relating to the RBWM Hackney Carriage Tariff, and Table 4, relating to charges for carrying larger numbers of passengers

Table 3

Option	Comments
1. Make no changes to the RBWM Hackney Carriage Tariff	Some drivers will argue that this will mean they cannot make a reasonable living, even if they work very long hours Others will argue that this will allow the hackney carriage drivers to remain competitive in the face of increasing competition from private hire operators
2. Change the RBWM Hackney Carriage Tariff to reflect an increase of one of the following; <ul style="list-style-type: none">• 10%• 20%	Figures for each of these increases have been provided by a Member of The Association of Taximeter Installers If one of these options is chosen it can quickly be implemented, subject to the required consultation process Any increase will obviously add costs to the passenger. The increase will not equate directly to 10% or 20% respectively but these figures can be used as a guideline Using the figures in Appendix B (Fares Comparison Chart – Two Mile Journey) the cost of the RBWM two mile journey (currently £5.80) with an increase of 10% and 20%

Option	Comments
	<p>respectively would be approximately;</p> <ul style="list-style-type: none"> • 10% = £6.38 • 20% = £6.96 <p>This can be used as a comparison with neighbouring local authorities as set out in Appendix B</p> <p>The current average cost for a two mile journey across the Berkshire authorities is £6.52</p>

Table 4

Option	Comments
1. Make no changes to the RBWM Hackney Carriage Tariff in respect of charges for larger numbers of passengers	The current 20p per extra passenger above two passengers would continue
<p>2. Change the RBWM Hackney Carriage Tariff to remove; “Extra Passengers: for Each Person Carried Above the Number of Two for the Whole or Part of the Distance – 20p” and under “Extra Charges” insert; “Over four passengers £1.00”</p> <p>This is a recommended option</p>	This is the simplest way of increasing the fare to reflect the carrying of larger numbers of passengers
3. Consider other means of adding additional fares for carrying larger numbers of passengers	Local authorities use a variety of means of reflecting the carriage of larger numbers of passengers. These could be explored and brought to a future Licensing Panel if this was considered the preferred approach

- 2.24 Officers would like to take this opportunity to make a number of other changes to the RBWM Hackney Carriage Tariff to make it clearer for both drivers and passengers
- 2.25 Since January 2018 drivers have been prohibited from applying a surcharge to the fare when the passenger pays by debit or credit card but this has not stopped some drivers from imposing surcharges on their customers who pay by card.
- 2.26 To make this as clear as possible to passengers it would be helpful to have a statement on the RBWM tariff, displayed in all hackney carriages, stating “No extra charges will be incurred for payment by debit or credit card”

- 2.27 Complaints are received by licensing officers about hackney carriage drivers not using their meter. This is now mandatory for all journeys within RBWM but is not being adhered to by all drivers. It would be helpful to have a statement included on the tariff explaining to the customer when the meter should be used. For example “The driver MUST use the meter for all journeys within the Royal Borough of Windsor & Maidenhead. If the journey ends outside the Borough the meter must be used unless a set fare is agreed at the START of your journey”
- 2.28 The current tariff only has a postal address for the passenger should they wish to make a complaint or otherwise contact the Licensing team. It would be helpful if an e-mail address and telephone number were added to this
- 2.29 Members are asked to consider making the changes to the tariff card set out in Table 5 (no extra charges for paying by card), Table 6 (the use of the meter) and Table 7 (updated contact details).

Table 5

Option	Comments
1. The RBWM Hackney Carriage Tariff be amended to include the statement; “No extra charges will be incurred for payment by debit or credit card” This is a recommended option	This will make the legal situation clear for both the driver and passenger
2. Make no change to the tariff card in this respect	Passengers will not be aware of that they should not be charged extra for paying by card

Table 6

Option	Comments
1. The RBWM Hackney Carriage Tariff be amended to include the statement; “The driver MUST use the meter for all journeys within the Royal Borough of Windsor & Maidenhead. If the journey ends outside the Borough the meter must be used unless a set fare is agreed at the START of your journey” This is a recommended option	This will make the legal situation clear for both the driver and passenger
2. Make no change to the tariff card in this respect	Passengers will not be aware of when the meter should be used and the chances of being overcharged will not be reduced.

Table 7

Option	Comments
<p>1. The tariff be amended to include the following contact details for the Licensing team; e-mail – licensing@rbwm.gov.uk phone – 01628 683840</p> <p>This is a recommended option</p>	<p>This will provide the driver with contact details for the Licensing team</p> <p>It will also make it easier for passengers to contact the Licensing team to report any issues or problems that they experience</p>
<p>2. Make no change to the tariff card in this respect</p>	<p>The current means of contact, ie a postal address, will be the only immediate means whereby a driver or passenger can contact the Licensing team</p>

- 2.30 There is a requirement in the hackney carriage bye-laws that fares are clearly exhibited inside the carriage. At present, failure to do this is a breach of the bye-laws which requires a criminal prosecution to enforce.
- 2.31 A far more effective means of enforcement would be to make the failure to display the tariff a penalty point offence. If this is agreed by Members, they will need to agree the number of penalty points to impose for this infringement
- 2.32 Members are asked to consider making the change to the RBWM Hackney Carriage Driver and Vehicle Policy & Conditions set out in Table 8

Table 8

Option	Comments
<p>1. the following penalty point infringement be added to the RBWM Hackney Carriage Driver and Vehicle Policy and Conditions; “Without reasonable cause, failure to display the RBWM Hackney Carriage Tariff inside a hackney carriage so that it is clearly visible to passengers”</p> <p>This is a recommended option</p> <p>It is further recommended that six penalty points be imposed for this infringement</p>	<p>This will ensure that both the driver and the passenger are fully aware of the tariff</p> <p>Six penalty points is recommended because passengers who do not have the tariff available to consult will not know the correct fare applicable to their journey and this increases the potential for confusion and / or overcharging</p>
<p>2. Make no change to the tariff card in this respect</p>	<p>The price of journeys and how the fare is calculated will not be transparent for the passengers</p>

3. KEY IMPLICATIONS

- 3.1 It is important to balance the needs of RBWM licenced hackney carriage drivers to be able to earn a reasonable living against the costs to passengers should the tariff be increased

3.2 The tariff card needs to be updated and made clearer

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 There are no financial implications for RBWM services if the recommendations of this report are adopted

4.2 There will be implications for passengers if Members agree to increases in the RBWM Hackney Carriage Tariff

5. LEGAL IMPLICATIONS

5.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives a local authority the power to fix the rates or fares of hackney carriages within its area (as well as all other charges in connection with the hire of the vehicle) by means of a table of fares...

5.2 Conditions can be attached to vehicle licenses by virtue of sections 47 & 48 Local Government (Miscellaneous Provisions) Act 1976.

6. RISK MANAGEMENT

6.1 Any new condition attached to the Policy is in theory subject to challenge or judicial review. However, given the consultation process that will be undertaken and the nature of this proposed change, the likelihood of any challenge is remote.

7. POTENTIAL IMPACTS

7.1 No EQIA is anticipated at this stage.

7.2 There are no impacts of the recommendations in relation to climate change or sustainability.

7.3 There are no new Data Protection or GDPR implications arising from the revisions proposed in this report.

8. CONSULTATION

8.1 The consultation process for changes to the RBWM Hackney Carriage Tariff is as follows;

- A notice must be published in a local newspaper, stating the proposed fares or variation of the fares
- This must specify a date, not less than 14 days from the date on which the notice is first published. That date has two functions; it is the date by which any objections must be lodged; and it is the date on which the revised fares will come into effect if no objections are received.
- Objections can be sent to the Licensing Team by post or email.
- A copy of the notice must be available at the Council offices for inspection.
- Once the objection period of 14 days has expired, if there have been no objections then the new fares take effect at the end of the objection period.
- If objections are made and not withdrawn then they will be considered by the next Licensing Panel.
- In the light of those objections the Panel can then set a second date when the new fares come into force

- 8.2 Legal advice provided in 2014 recommended that any proposed revisions to Policy, such as that set out in Table 8, should be consulted upon before adoption as drivers have a reasonable expectation of being asked for their views.
- 8.2 That can be done e-mailing or writing to all hackney carriage drivers to ask for their views on the changes proposed in Table 8, if agreed by Members

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Any changes to the tariff agreed by Members will come into force subject to the consultation process set out in 8.1, above
- 9.2 Any changes to Policy agreed by Members are subject to the consultation process set out in paragraphs 8.2 and 8.3, above. Once that consultation process has been completed the final decision on implementation can be brought to the next Licensing Panel, or, if Members are in agreement, this decision can be delegated to the Head of Communities unless the consultation process provides results which would best be considered by the full Licensing Panel.

10. APPENDICES

- Appendix A -- The current Royal Borough of Windsor and Maidenhead Hackney Carriage Tariff
- Appendix B -- Fares Comparison Chart – Two Mile Journey - November 2019
- Appendix C -- Comparison of Basic Annual Charges

11. BACKGROUND DOCUMENTS

None.

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Cannon	Lead Member for Public Protection	28/01/2020	29/01/2020
Cllr Haseler	Chair of the Licensing Panel	28/01/2020	30/01/2020
Duncan Sharkey	Managing Director	22/01/2020	27/01/2020
Russell O'Keefe	Executive Director - Place	22/01/2020	
David Scott	Head of Communities	22/01/2020	28/01/2020

REPORT HISTORY

Decision type: Non-key decision	Urgency item? No
Report Author: Greg Nelson, Trading Standards & Licensing Manager 01628 683561 / 07970 446526	

Appendix A

Current Hackney Carriage Tariff

Royal Borough of Windsor and Maidenhead Hackney Carriage Tariff

Tariff One 6am to 11 pm		Tariff Two 11pm to 6am and Bank Holidays (50% above the normal rate or fare)	
For the first 927 yards (847m) or part thereof	£2.80	For the first 927 yards (847m) or part therefore	£4.20
For each additional 174 yards (159m), 40 seconds or part thereof	20p	For each additional 174 yards (159m), 40 seconds or part thereof	30p
WAITING TIME			
For each period of 40 seconds or uncompleted part thereof provided that where a hiring by distance terminates at the place at which it commenced, the rate of fare for which the proprietor or driver shall be entitled to demand and take for the hiring shall be three quarters of the rate or fare prescribed by the foregoing table.		Soiling Interior of Vehicle £80.00 Soiling Exterior of Vehicle £20.00	
EXTRA CHARGES		<i>None of the stated fares will apply if the hirer at the commencement of the hiring expresses his desire to engage by time.</i>	
Booking Fee		<i>Where a Hackney Carriage furnished with a taximeter is hired by distance the driver is not entitled to demand and take a fare greater than that recorded on the face of the taximeter, save for extra charges authorised by the above table which may not be recorded on the face of the taximeter.</i>	
For each hiring under Section 67 of the Local Government (Miscellaneous Provisions) Act 1976	£1.00		
LUGGAGE			
For each package carried outside the vehicle	20p		
EXTRA PASSENGERS			
Extra Passengers for Each Person Carried Above the Number of Two for the Whole or Part of the Distance	20p	Any complaints or other communications should be sent to Licensing, Town Hall, St Ives Road, Maidenhead, SL6 1RF	

Appendix B
Fares Comparison Chart – Two Mile Journey - November
2019

Licensing Authority	Fare (for a two mile journey Nov 2019)	When Tariff Last Increased
RBWM	5.80	2016
Slough	6.00	2013
Reading	7.20	2017
Wokingham	6.40	2014
West Berkshire	6.80	2013
Bracknell Forest	6.00	2011
Aylesbury Vale	4.30	2019
South Bucks	5.60	2014
Chiltern	5.40	2012
Wycombe	6.20	2019
Elmbridge	6.10	2011
Guildford	7.60	2019
Runnymede	6.20	2014
Spelthorne	6.20	2015
Surrey Heath	6.40	2012
London	7.80	2017
London (Heathrow)	10.60	2017

Appendix C

Comparison of Basic Annual Charges

Licensing Authority	Cost of Basic Annual Charges (Hackney Carriage Vehicle Licence and Hackney Carriage Drivers Licence)**	
RBWM	315 + 100 =	415
Slough*	179 + 226 =	405
Reading*	400 + 328 =	728
Wokingham	282 + 147 =	429
West Berkshire	282 + 147 =	429
Bracknell Forest	282 + 147 =	429
Aylesbury Vale	300 + 65 =	365
South Bucks	399 + 161 =	560
Chiltern	399 + 161 =	560
Wycombe*	266 + 62 =	328
Elmbridge	215 + 135 =	350
Guildford	250 + 384 =	634
Runnymede	271 + 148 =	419
Spelthorne	341 + 296 =	637
Surrey Heath	295 + 95 =	390
London***	£1000 (approx)	
London (Heathrow)***	£1000 (approx)	
(* denotes the licensing authority imposes a cap on the number of hackney carriages that it will licence)	<p>(** denotes initial annual charges, may be approximate if only 3 year licenses are granted. Some authorities have a reduced charge for renewals)</p> <p>(*** - London drivers are required to pass the knowledge - £600 in extra charges)</p>	

