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# To: Members of the Licensing Committee 

Date: 29 May 2024

Direct Dial: 01824712568
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Dear Councillor
You are invited to attend a meeting of the LICENSING COMMITTEE to be held at 9.30 am on WEDNESDAY, 5 JUNE 2024 in the COUNCIL CHAMBER, COUNTY HALL, RUTHIN AND BY VIDEO CONFERENCE.

Yours sincerely

G Williams
Monitoring Officer

## AGENDA

## 1 APOLOGIES

2 DECLARATION OF INTERESTS
Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

## 3 APPOINTMENT OF CHAIR

To appoint a Chair of the Licensing Committee for the ensuing year.

## 4 APPOINTMENT OF VICE CHAIR

To appoint a Vice Chair of the Licensing Committee for the ensuing year.

## 5 URGENT MATTERS AS AGREED BY THE CHAIR

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section $100 \mathrm{~B}(4)$ of the Local Government Act, 1972.

## 6 MINUTES OF THE LAST MEETING (Pages 5-10)

To receive the minutes of the Licensing Committee held on 5 March 2024 (copy enclosed).

## 7 HACKNEY CARRIAGE VEHICLES TABLE OF FARES AND CHARGES (Pages 11-40)

To consider a report by the Head of Planning, Public Protection and Countryside Services (copy enclosed) updating members on the review of the current tariff charges for hackney carriage vehicles (taxis) and proposed Table of Fares for public consultation.

## 8 REVIEW OF LICENSING REQUIREMENTS FOR WHEELCHAIR ACCESSIBLE VEHICLES (Pages 41-46)

To consider a report by the Head of Planning, Public Protection and Countryside Services (copy enclosed) seeking members' review of the existing requirements for wheelchair accessible vehicles licensed by the Council.

## 9 LICENSING COMMITTEE FORWARD WORK PROGRAMME 2024/25 (Pages 47-50) <br> To consider a report by the Head of Planning, Public Protection and Countryside Services (copy enclosed) on the priorities of the Licensing Section together with a revised forward work programme.

## MEMBERSHIP

## Councillors

Joan Butterfield
Ellie Chard
Gwyneth Ellis
Bobby Feeley
Hugh Irving

Alan James
Brian Jones
Delyth Jones
Paul Keddie
Andrea Tomlin

## COPIES TO:

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## Code of Conduct for Members

## DISCLOSURE AND REGISTRATION OF INTERESTS

$\square$

CONFIRM that I have declared a *personal / personal and prejudicial interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:-
(*please delete as appropriate)
Date of Disclosure:

Committee (please specify):

Agenda Item No.

Subject Matter:

Nature of Interest:
(See the note below)*

Signed

Date
*Note: Please provide sufficient detail e.g. 'I am the owner of land adjacent to the application for planning permission made by Mr Jones', or 'My husband / wife is an employee of the company which has made an application for financial assistance'.

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## Agenda Item 6

## LICENSING COMMITTEE

Minutes of a meeting of the Licensing Committee held in the Council Chamber, County Hall, Ruthin and by video conference on Tuesday, 5 March 2024 at 9.30 am.

## PRESENT

Councillors Joan Butterfield, Ellie Chard, Gwyneth Ellis, Bobby Feeley (Chair), Alan James, Brian Jones, Delyth Jones, Paul Keddie, Andrea Tomlin and Win Mullen-James

## ALSO PRESENT

Solicitor (LB), Public Protection Business Manager (IM), Senior Licensing Officer (NJ), Enforcement Officer - Licensing (NS) and Committee Administrators (KEJ \& SLW [Webcaster])

## 1 APOLOGIES

There were no apologies.

## 2 DECLARATION OF INTERESTS

Councillor Ellie Chard declared a personal interest in agenda item 6 - Application for a Licence to Drive Hackney Carriage and Private Hire Vehicles because she knew the Applicant's mother who was a long standing acquaintance.

## 3 URGENT MATTERS AS AGREED BY THE CHAIR

No urgent matters had been raised.

## 4 MINUTES OF THE LAST MEETING

The minutes of the Licensing Committee held on 6 December 2023 were submitted.
Matters Arising - Item 5 Proposed Changes to Hackney Carriage Vehicles Table of Fares and Charges - In response to a question from Councillor Delyth Jones, officers confirmed that an update on progress with the fare calculator review would be provided under agenda item 5 Licensing Committee Forward Work Programme.

RESOLVED that the minutes of the meeting held on 6 December 2023 be received and confirmed as a correct record.

## 5 LICENSING COMMITTEE FORWARD WORK PROGRAMME 2024

The Senior Licensing Officer submitted a report (previously circulated) on the priorities of the Licensing Section and a revised forward work programme for 2024.

The priorities of the Licensing Section reflected the duty placed on the authority in relation to its responsibilities for the licensing function and the effective regulation,
control and enforcement of licensees, and the authority's commitment to safer communities and the development of the economy. The forward work programme had been drafted taking into account relevant policies and review dates together with any potential legislative changes proposed. A number of items within the forward work programme had been rescheduled and a further item added, and a revised forward work programme had been presented for consideration.

An update was provided on those rescheduled/additional items which related to -

- Hackney Carriage Tariff - had been rescheduled from March to June to allow more time to obtain sufficient data from the taxi trade to formulate an accurate and effective calculator with further engagement planned
- Wheelchair Accessible Vehicle (WAV) Licensing Requirements Review additional item for June to review the current licensing requirements for WAVs given the higher costs associated with those vehicles
- Private Hire Vehicle Plate Exemption Policy Review - had been rescheduled to December to coincide with the Review of the Hackney Carriage and Private Hire Policy and Conditions
- Special Procedures (skin piercing) - had been rescheduled from March to June as there had been no further update on the new legislation when the report was written. Since then, a training session on the licensing scheme to be delivered by Sarah Jones from the Welsh Government had been arranged for all members on 22 March 2024 following publication of the draft regulations.

Members noted the update and proposed revisions to the forward work programme.
There was some discussion on the fare calculator review and setting of hackney carriage tariffs which had been rescheduled to June due to insufficient data and the Committee had been disappointed with the lack of response from the taxi trade. Members were keen to understand the reasoning behind the lack of engagement, future steps within that process and options for the way forward. Concerns were expressed that not enough data would be provided by the trade to formulate the tariff calculator and that the Committee would not be in a position to make a fully informed decision on the matter. The potential to utilise internal data held by the Licensing Team and other externally published sources was suggested. Councillor Gwyneth Ellis also questioned the reasoning behind the Council setting the tariffs and merits or otherwise of the taxi trade setting their own fares and charges and requested a discussion with officers on the issue outside of the meeting.

Officers responded to members' comments and further questions as follows -

- elaborated on engagement with the taxi trade to date including a Working Group comprising $2 / 3$ large operators and 1 owner/driver, and a simple data collection form emailed to all 300 licensed drivers with approximately 100 of those being owner/drivers which had resulted in 2/3 responses
- given the different costs associated with the large operators and owner/drivers it was important that sufficient data was secured from both sources to give a true indication of costs and robust methodology for the fare calculator
- further planned engagement included face to face visits at taxi ranks to encourage more licence holders to submit data to inform the review
- no minimum percentage response to the engagement had been set before an informed decision could be made but enough meaningful and representative data would be required in order to formulate an effective fare calculator
- no other authority in North Wales used the fare calculator to set their tariffs; it was a national calculator and other authorities may collect data via taxi associations/working groups or other trade representatives
- agreed that it may be useful to provide a mix of data sources including both information from the taxi trade and published data, but it was important to ensure that the data was meaningful and relevant to local circumstances to ensure a maximum tariff was set to balance a sustainable and viable taxi industry and the impact of any increase on the travelling public
- since its inception Denbighshire County Council had set the hackney carriage tariffs as did the former Rhuddlan Borough and Glyndwr District Councils before that and agreed to a further discussion on the issue outside of the meeting
- legislation permitted councils to set maximum hackney carriage fares, but it was not a requirement. There were over 300 local authorities in the UK and only 2 or 3 of those did not set a tariff. The tariff calculator required an understanding of the relevant costs and provided transparency in the fee setting process.

At the close of the debate the possibility of whether the Council should relinquish the setting of hackney carriage tariffs in favour of the taxi trade setting their own tariffs was further discussed ahead of deciding on any proposed changes to the fares and charges. Officers confirmed it was a matter for the Committee to determine and it was suggested that the option could be considered as part of the hackney carriage tariff report due in June taking into account any legal advice.

## RESOLVED that -

(a) the contents of the report be noted, and
(b) the updated forward work programme for 2024 as detailed in Appendix A to the report be approved.

## EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 12 of Part 4 of Schedule 12A of the Act.

## 6 APPLICATION FOR A LICENCE TO DRIVE HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLES - APPLICANT NO. 573053

A confidential report by the Head of Planning, Public Protection and Countryside Services (previously circulated) was submitted upon -
(i) an application having been received from Applicant No. 573053 for a licence to drive hackney carriage and private hire vehicles;
(ii) officers having referred the application to the Licensing Committee for determination given the particular circumstances of the case;
(iii) the Applicant having obtained the following criminal convictions: January 1999 - assault occasioning actual bodily harm; August 2012 wounding/inflicting grievous bodily harm; November 2014 and January 2015 - battery, all of which had been declared by the Applicant and detailed on the Disclosure and Barring Service Certificate;
(iv) further information concerning the case including an interview with the Applicant and his explanation relating to the circumstances of the convictions and background information together with the Applicant's written submission (personal profile) and provision of a number of character references;
(v) the Council's policy with regard to the relevance of convictions and suitability of applicants, and
(vi) the Applicant having been invited to attend the meeting in support of the application and to answer members' questions thereon.

The Applicant was in attendance and confirmed he had received the report and committee procedures.

The Enforcement Officer - Licensing submitted the report and facts of the case.
The Applicant was keen to reassure members that he was ashamed of his past and was now a totally different person who had completely turned his life around. He referred to the circumstances surrounding his convictions and positive life changes since then. He described himself as a caring and trustworthy person, always willing to help others, and those attributes had been detailed in his character references and demonstrated in his previous work experiences.

In response to members' questions the Applicant elaborated on his previous employment, particularly in the health and social care sector, and explained his access to mental health services and improved mental health and positive outlook. The Enforcement Officer confirmed that the convictions had occurred during a specific set of circumstances and there had been no risk to the general public.

In making a final statement, the Applicant referred to the circumstances at the time of the convictions and expressed his remorse, reiterating that he had taken control of his life and was a changed person with a caring and helpful nature. He wished to move forward and had two offers of employment if he obtained his taxi licence. Finally, he thanked members for their time and consideration of his application.

The Committee adjourned to consider the application and it was -
RESOLVED that the application for a hackney carriage and private hire vehicle driver's licence from Applicant No. 573053 be granted.

The reasons for the Licensing Committee's decision were as follows -

Members had carefully considered the particular circumstances of the case as set out in the report together with the submissions, character references and response to questions. Members treated the openness and honesty with which the Applicant dealt with the Committee very seriously.

In reaching their decision, the Committee had taken into account the substantive offences detailed on the Applicant's Disclosure and Barring Service Certificate, the Council's Statement of Policy regarding the suitability of applicants and licensees in the hackney carriage and private hire trades, the length of time since the offences and length of time until the convictions were spent for the purposes of that policy, and circumstances as explained by the Applicant in relation to the offences.

The Committee had been satisfied that the Applicant was a fit and proper person to hold a licence and concluded that there were exceptional circumstances and justifiable reasons to depart from the policy in this case and grant the application.

The Committee's decision and reasons therefore were conveyed to the Applicant. The Applicant was reminded that granting of the application was still subject to all other routine checks carried out in connection with the application being satisfied.

The meeting concluded at 10.55 am .

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## Agenda Item 7

| REPORT TO: | Licensing Committee |
| :--- | :--- |
| DATE: | $5^{\text {th }}$ June 2024 |
| LEAD OFFICER: | Head of Planning, Public Protection <br> and Countryside Services <br> Public Protection Business Manager <br> licensing@denbighshire.gov.uk |
| CONTACT OFFICER: | 01824706066 <br> Hackney Carriage Vehicles Table of <br> Fares and Charges |

### 1.0 PURPOSE OF THE REPORT

1.1 To update Members on the review the current tariff charges for hackney carriage vehicles (taxis).

### 2.0 EXECUTIVE SUMMARY

2.1 At the end of 2023, Members considered a report on a proposal to increase the current Hackney Carriage Table of Fares
2.2 At the December 2023 Licensing Committee meeting Members resolved to retain the current tariff pending the review and development of a fare calculator.
2.3 At the last Licensing Committee meeting officers verbally updated Members of the progress and advised that more data was required to effectively populate the fare calculator to Denbighshire needs.
2.4 Officers will update Members on the methodology and tariff and next steps.

### 3.0 POWER TO MAKE THE DECISION

3.1 Local Government (Miscellaneous Provisions) Act 1976

### 4.0 BACKGROUND INFORMATION

4.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 ("the Act") allows the Council to fix the rates or fares within the County in connection with the hire of a hackney vehicle.
4.2 The current tariff has been effective for a number of years and has been subject to an ongoing review since mid-2023.
4.3 Following the resolution at the September Licensing Committee officers consulted publically on a proposal to increase the tariff as instructed. Members may recall that consultation responses were mixed and as such Members resolved at their December meeting to retain the current tariff pending development of a fare calculator.
4.4 Officers have sought to obtain useable data from current licensed drivers / proprietors to assist in populating a fare calculator. There has been a very small response (less than 10 respondents). Where gaps in data have been identified officers have relied on other data to produce a fare calculator and methodology.
4.5 This fare calculator has been produced by Guilford Council and has been replicated, with permission, at a number of local authorities across the country, including Denbighshire. No other north Wales authority uses this method.
4.6 Members may wish to note that this calculator was recommended by a licensing consultant in 2021 and has been further supported as good practice by James Button, President of the Institute of Licensing and Chair of the Institute's Taxi Consultative Panel.
4.7 The calculator aims to provide the cost of running a taxi with a mid-range vehicle whilst providing an average salary for the proprietor.
4.8 Officers have prepared a detailed methodology and procedure on the use of the calculator which is at Appendix 1.
4.9 The tariff produced is at Appendix 2 along with a comparison table of North Wales authorities.
4.10 It is important to note that the Table of Fares provides the maximum fare that can be charged for a journey. The proprietor can agree a lower fare with the passenger.
4.11 It should be further noted that the table of fares only relate to fares wholly within the County of Denbighshire. Where a journey starts or finishes outside of the County an agreed fare can be reached between driver and passenger. This can be more or less than the Councils table of fares. If there is no fare negotiated before the journey starts then the meter must be used and the table of fares would be relevant.

## 5. CONSIDERATIONS

5.1 The Council needs to support, as much as is reasonably practicable, the hackney carriage trade and given the rising cost of living, in particular, the cost of fuel (petrol, diesel and electricity), it is not unreasonable for the Council to allow the fares to be increased. A failure to do this reduces the ability of hackney carriage proprietors to effectively run their business in a competitive marketplace, which may then result in a reduction in the overall number of hackney carriages.
5.2 Equal consideration should be made for the impact any increase in Hackney Carriage fares may have on the travelling public for the same reasons it has on the Hackney Carriage Proprietors themselves. To offset changes in the marketplace and for Hackney Carriage Proprietors to retain their existing customer base they have the ability to charge up to the maximum amount on the Hackney Carriage Table of Fares. This allows them to negotiate a reasonable price with their regular customers and retain their custom, whilst still enabling them to gain a margin of profit.
5.3 Should Members resolve to support an increase in the current fares, Officers propose to go out to public consultation by publishing the required statutory notice for variations on the tariff. This notice must appear in one local newspaper circulated in the County and detail the proposed new tariff. There is a minimum statutory period of 14 days. Members are advised that preparing the associated documents and process for consultation through County Conversation website will take some time to prepare but is anticipated to be live within two months. The notice will specify how and where objections can be made along with a specified date on which the tariff will take effect, if there are no objections.
5.4 If no objections are received at this stage the amended table of fares and charges will come into effect after the expiration of the public notice i.e. the date specified. However, should objections be received at this stage, they must be considered by the council for a final tariff and a date of implementation.
5.5 Members should note that any final tariff will require a Lead Member Delegated decision to ensure the Council meets its constitutional obligations.
5.6 In summary Members are being asked to consider one of the following options:

- Retain the current table of fares;
- to increase the tariff in line with the tariff calculator, subject to statutory consultation.


## 6. RECOMMENDATION

6.1 That Members consider the contents of this report and comment as necessary on the methodology documents attached in the appendices.
6.2 Authorise officers to proceed with statutory notice with an implementation date of at least 14 days following publication of the notice.
6.3 Authorise officers to implement the said table of fares on the date specified in the notice if no objections are received following publication of the notice.
6.4 Instruct officers to prepare a report for the Licensing Committee if any objections are received to that statutory notice.

# Hackney Carriage Fare Calculations Methodology 

(This mechanism and process has been reproduced with permission of Guildford Council)

## Introduction

This is the Council's procedure for setting taxi fares for distance and time and other charges in connection with the hire of a taxi.

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 taxi. In this context "the Council" means the Executive by virtue of The Local Authorities (Functions and Responsibilities) (Wales) Regulations 2007.

In setting taxi fares, the Council has to balance any increase of taxi fares against the needs of the travelling public.

If we decide to vary the rates or fares, we will advertise the proposed changes in a local newspaper. This will contain the date on which the new fares will take effect. We will receive objections for a period of 14 days from the notice. We will also make a copy of the notice available for inspection at the Council's offices for the same period.

Where we do not receive any objections to the proposed changes the amended fares and charges will take effect on the date specified in the notice.

If we receive objections, the Licensing Committee will consider them within two months and approve the final table of fares.

This procedure sets out the process we will use for calculating taxi fares and other charges, which includes a methodology (a process that sets out cost factors relevant to operating a taxi in Denbighshire); calculator (an excel spreadsheet which contains the formulae for calculating the fares) at Appendix 1; and table of fares (a document setting out the charges and other costs that a taxi driver may demand for each journey) at Appendix 2.

This procedure also sets out the factors that we use when calculating the costs associated with operating a taxi in Denbighshire. The values of these may change each year.

The Council's calculation of taxi fares has been reviewed periodically using a variety of formats. Concerns have been expressed that the rates should be further reviewed and recommendations were made that the council should implement a tariff calculator as is used widely in other authorities. The calculator has been designed by Guilford Council and they have permitted other local authorities to use the template in their own areas.

The figures given by the calculator will be consulted upon, with the objections considered and decision taken to implement the new fares.

Members will wish to note that the decision to adopt the new fares using this method was subject of a Judicial Review by the taxi trade, who obtained an emergency injunction preventing the implementation of the fares until the Judicial Review had been concluded.

The challenge was dismissed in December 2017 with the judge finding comprehensively in Guilford Council's favour.

There are a number of points in the judge's decision which will assist in defending any challenge against future reviews:

- The Council had gone to considerable lengths to try to ascertain the correct costs for running a taxi in Guildford by consulting the trade. 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 Council was justified in selecting the AA data over other sources, provided it was adjusted to the taxi trade as necessary.
- The judge also took the view that if the trade believed the Council's estimates of the costs that such a driver incurs were wrong, the operators of hackney carriages in Guildford have only themselves to blame for not submitting sufficient reliable evidence on such costs in the consultations that the Council conducted.

It should be noted that there is specific reference to the AA Motoring Report throughout the methodology. Officers wish to highlight this document was last published in 2014 and will only be used where there is an absence of sufficient information provided by those in the trade. However, wherever it is used the figures will be adjusted in line with published RPI Motoring costs year on year.

## Methodology

The Council will use the following process to calculate the total running costs associated with operating a taxi in Denbighshire.

## The Costs of Running a Taxi

We use the Automobile Association (The AA) values contained in the annual motoring costs report for 2014 that are relevant to a new diesel vehicle within the £22,000 to $£ 26,000$ price bracket (Motoring RPI adjusted this equates to $£ 31,000-£ 36,000$ ), when calculating the running costs associated with operating a taxi in Denbighshire. This is supported by findings that the primary vehicle used in Denbighshire's fleet is a Skoda Octavia using diesel fuel and fall within this price bracket when new.

The total annual cost of running a taxi per mile is variable and we will identify this value as item $B$ on the fare calculator.

The AA divides the cost of running a car into charges and costs. Standing charges are the basic costs of keeping the vehicle ready for use on the road. The running costs are those that depend directly on using the vehicle.

The standing charges are:

- depreciation
- cost of capital
- annual cost of insurance
- cost of road tax
- cost of breakdown cover

The running costs are:

- cost of fuel per litre
- cost of replacement tyres
- cost of replacement parts
- cost of parking and tolls


## Adjustment for Inflation

One of the main elements of challenge to the Judicial Review was that the AA data was out of date. The data used for the 2016 fares was the AA Running Costs 2014, published by the AA in July 2014. At the time using this data was not disadvantageous to the taxi trade as the ONS RPI Motoring Expenditure Costs Index had shown a sustained deflation of the cost of motoring between March 2014 to May 2016.

The AA has however ceased producing its annual "Running Costs" upon which the methodology is based. Since the 2018 fare review, Guildford Council has calculated fares using the previously approved 2014 figures, adjusted for inflation using the ONS RPI Motoring Expenditure Costs Index. We consider this a reasonable approach in the absence of supported local data.

## Standing Charge: Depreciation

- Different vehicles lose value at different rates depending on their make, age, mileage and condition.
- The AA motoring costs assume depreciation over 4 years at a variable value per year. We use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures.


## Standing Charge: Cost of Capital

- The value used represents the loss of income from the owner having money tied up in a vehicle, which could otherwise be earning money in a deposit account.
- The AA calculation of the cost of capital may vary each year. We use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures


## Standing Charge: Annual Cost of Insurance

- The value used by the AA is a UK average for a fully comprehensive policy with 60 per cent no-claims discount.
- Where information is provided by licensed drivers we will use the average cost of from those respondents. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures


## Standing Charge: Cost of Road Tax

- The primary fuel type of Denbighshire licensed vehicles is that of diesel fuel.
- We will use the standard annual tax for a diesel vehicle


## Standing Charge: The Average Cost of Breakdown Cover

- Where information is provided by licensed drivers we will use the average cost of from those respondents. Should this not be the case then we will use the AA business rate for the current year


## Running Cost: The Average Cost of Fuel per Litre

- The AA uses values based on the national average fuel cost per litre. We use the values from the latest $A A$ fuel price reports.
- We recognise that fuel prices often change throughout the year. It is not practical to recalculate the running costs of a taxi each time the fuel costs increase or decrease. Therefore, in addition to the average cost of diesel we include an additional 5 pence per litre to allow for any upward changes to the cost of fuel that may occur during the year. Page 17


## Running Cost: Cost of Tyres

- The AA quotes the average tyre life at approximately 20,000 miles front and 40,000 miles rear. Where information is provided by licensed drivers we will use the average cost of from those respondents to ascertain the cost per mile for tyres. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures


## Running Cost: Service Labour Costs

- The Service Labour costs cover normal servicing and parts replacement taking UK average labour rates. We have included here the costs for cleaning a vehicle.
- Where information is provided by licensed drivers we will use the average costs from those respondents to ascertain the cost per mile for servicing. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures


## Running Cost: Replacement Parts

- Replacement parts are items that may require replacement through normal driving conditions such as brake materials, oils, filters, bulbs, wipers etc.
- Where information is provided by licensed drivers we will use the average cost of from those respondents to ascertain the cost per mile for servicing. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures


## Additional Costs

We will use the following additional costs associated with operating a taxi in Denbighshire.

## Average Annual Salary (Median)

We include an appropriate level of remuneration for taxi drivers that is relevant to Denbighshire. The Council uses the most recent information published by the Office for National Statistics in its Annual Survey of Hours and Earnings (ASHE) in relation to Denbighshire.

We use the average (median) gross weekly earnings by Welsh local areas and year and is calculated on a 48-week year i.e. four weeks' holiday

The value of the average salary is variable and we will identify this as item A and Item 1 on the fare calculator.

## Inclusion of Annual Fees

The Council will also include the following variable annual costs associated with running a taxi in Denbighshire:

- the cost of the annual vehicle licence and vehicle test fees. We identify this as Item D on the fare calculator.
- the cost of the annual driver's licence fee. We use the pro-rata annual rate and identify this as Item H on the fare calculator.


## Taxi Roof Sign and Meter Costs

All taxis have to be equipped with a roof sign and meter. There is a one off cost of supplying a roof sign and meter, and the meter has to be adjusted annually to the current tariff.

Where information is provided by liçnsed dixigers we will use the average cost from
those respondents to ascertain the cost of roof signs and meters. These costs will be apportioned across an average 7 -year life span of a vehicle i.e. the time which vehicles can remain on fleet.

The value of these additional costs is included as item I in the calculator.

## The Cost of a Card Payment Device

Although the cost of a card meter is determined by usage where information is provided by licensed drivers we will use the average cost from those respondents to ascertain the cost of a card payment machine.

Additional surcharges are not permitted for the individual use of card by taxi users. Applying a cost in the tariff will mean that this cost is apportioned across all users therefore allowing choice of payment method. Licensed drivers are not mandated to have card payment devices but are encouraged.

The value of this additional costs is included as item I in the calculator.

## The Average Annual Mileage (Mean)

We use the mean value of the annual number of miles travelled by each taxi driver when we calculate the cost per mile.

The value of the mean annual mileage is variable and we will identify this as item E on the fare calculator.

In the absence of recorded mileages, we obtain the annual number of miles travelled by taxis by taking a random representative sample from the current taxi fleet and use the last recorded mileages from the MoT records available online.

We then divide the total number of miles travelled in this sample by the number of licensed taxis in the same sample to provide the mean annual mileage.

## Dead Mileage (Mean)

Dead mileage is the number of miles travelled by a taxi without a fare paying passenger but excludes:

- the number of miles travelled by each driver to and from work
- the number of miles travelled by each driver on private journeys
- the number of miles travelled by each driver on unmetered journeys

The value of the dead mileage is variable and we identify this as item F2 on the fare calculator.

A number of factors prevent an exact calculation of dead mileage. If a taxi takes a customer from (A) to (B) and always returns empty to (A), the dead mileage will always be half of the total mileage. The factors are:

- taxis do not always return empty to the point of initial departure
- taxis may travel with a customer from point $A$ to point $B$ and then from point $B$ to point $C$ thus not enduring any dead mileage
- the taxi may be flagged down whilst returning empty to point $A$ therefore the dead
mileage will not always be the same distance as the initial paid mileage
- taxis may operate by being pre-booked and this can reduce the amount of dead mileage for example from Point A to the taxi rank and then from the taxi rank to point B
- taxis drivers use the vehicle travelling to and from work
- some drivers use their taxi for personal journeys away from work

We express the maximum level of dead mileage as a percentage of the overall mileage and we identify this at item F1 on the fare calculator.

If a taxi takes a customer from point $A$ (the rank) to point $B$ and the taxi always, returns to point A without a customer on board the dead mileage would be approximately 50 per cent of the total mileage. We therefore use 50 per cent as the starting point for the calculation.

It is however impossible to gauge an accurate measure of dead mileage due to the differing variables identified for each driver above.

Information supplied by HMRC shows that the level of dead mileage will vary between council areas and cannot therefore, be stated as a fixed percentage. HMRC is aware that taxi journeys carried out on contract such as home to school trips or pre-agreed fares to airports will not always be recorded on the taximeter and could appear to be dead mileage when in fact there is a fare paying passenger in the vehicle. HMRC also state that any travel to and from the taxi drivers place of work is not deemed to be dead mileage for the purposes of calculating tax liability. Both of these factors therefore reduce the amount of dead mileage that can be included in the overall calculation.

Information in other areas of the country indicate that dead mileage accounts for between 33 per cent and 50 per cent of the total mileage travelled by the taxi.

A number of factors will cause this initial percentage to reduce such as travel to and from work, private journeys and unmetered journeys.

A driver who is resident in Denbighshire can ply for hire immediately within the county district in which the driver is licensed. However, the driver who is not resident in Denbighshire cannot ply for hire until the driver is within Denbighshire. Therefore, any mileage travelled before entering Denbighshire cannot be included in the dead mileage calculation.

Insufficient evidence to provide a definitive figure but respondents at a working group unanimously felt that $50 \%$ was an accurate figure.

## Average Live Mileage (Mean)

The average live mileage is the number of miles travelled by a taxi with a fare-paying passenger. We calculate the average live mileage by subtracting the dead mileage from the total mileage.

The value of the average live mileage is variable and we will identify this as item 4 on the fare calculator.

## Typical Distance per Journey (Mean)

Where information is provided by licensed drivers we will use the average of those journey lengths. Current indications Bageteis to be 3 miles for each journey.

The value of the typical distance is variable and we will identify this as item $J$ on the fare calculator.

## Average Number of Journeys (Mean)

We will calculate the mean number of journeys travelled in a year by a taxi in Denbighshire by dividing the average live mileage by the average distance per journey.

The value of the average number of journeys is variable and we will identify this as Item K on the fare calculator.

## Calculation of Total Cost per Mile

We then calculate the total cost per mile by dividing the total of the standing charges and running costs by the average annual mileage.

The value of the total cost per mile is variable and we will identify this as item B on the fare calculator.

## Calculation of the Fare Charged per Mile

We then use the taxi fare calculator at Appendix 2 to determine the charge for each distance unit.

## Total Cost per Mile

We use the values of each factor set out above to calculate the cost per mile of running a taxi in Denbighshire (Item 5 on the calculator). The formula is set out below:

To calculate the average running costs (Item 2 on the calculator) we:

- Multiply the cost per mile of running a diesel car (Item B on the calculator) by the annual average mileage of a Denbighshire taxi (Item E on the calculator) and add
- Items C, D, H and I

To calculate the total running costs (Item 3 on the calculator) we add the annual salary (Item 1 on the calculator) to the average running costs (Item 2 on the calculator).

To calculate the cost per mile (Item 5 on the Calculator) we divide the total running costs (Item 3 on the Calculator) by the average live mileage total (Item 4 on the calculator)

## Total Charge per Mile

We identify the total charge per mile as Items 6(a) and 6(b) on the fare calculator.
The fare for each journey will always include a fixed cost for an initial distance. This is the 'flag drop'.

We prevent the flag drop from artificially exaggerating the cost per mile when setting the total that charge per mile. We achieve this by using the following calculation:

- subtract the average number of journeys (Item $\mathbf{K}$ on the Calculator) multiplied by the 'flag drop' (Items T1, T2, T3 and T'4 $24^{\text {the }}$ Calculator) from the total running
costs (Item $\mathbf{3}$ on the Calculator) and then
- divide this figure by the average live mileage (Item 4 on the Calculator) to give the Total Charge per Mile (Items 6(a) and 6(b) on the Calculator).


## The Unit Charge

The unit charge is the cost to travel each distance unit or part of each unit. It can be any value as long as it is a multiple of 10 pence. We identify this as Items N, 7(a) and 7(b) on the fare calculator.

## Calculation of the Distance Unit

The distance unit is the number of yards travelled for each unit charge. We identify the distance unit as Item $L$ on the fare calculator.

We calculate the distance unit by dividing 1760 yards ( 1 mile) by the total charge per mile (Item 6 on the Calculator) and then multiplying by the unit charge (Item $\mathbf{N}$ on the Calculator).

## Calculation of Distance Units per Mile

We identify the number of distance units per mile as Item $M$ on the fare calculator.
We calculate the number of distance units per mile by dividing 1760 (1 mile) by the unit distance.

## Calculation of Charge by Time per Unit

We calculate the charge by time per unit by dividing 5 minutes and 10 seconds by the number of units per mile (Item M on the fare calculator).

We identify the charge by time per unit as Items 8(a) and 8(b) on the fare calculator.

## Table of Fares

## Flag Drop

The 'flag drop' is the fixed cost that can be charged for an initial distance. It is universal in its application and is included in the cost of all journeys. It offers the taxi driver a minimum return for every journey. In the absence of a flag drop, all journeys would start at zero.

The flag drop encourages the supply of journeys that cover a short distance. If the cost is set too high, it can discourage overall demand for taxis and must be set at an appropriate level.

We identify the flag drops as Items T 1 to T 4 and 8(b) on the fare calculator.

## Extras

In addition to the charge per mile, we will apply an extra charge for each passenger Page
carried in excess of four. We base this on current practice and local circumstances and this assists the drivers of larger vehicles, which have a lower fuel economy. We identify this extra charge as Item 9 on the fare.

The soiling charge is necessary to enable proprietors or drivers to recover the costs of cleaning the vehicle. We set the extra charge to reflect current costs. We identify this extra charge as Item 10 on the fare calculator.

## Appendix 1

## Denbighshire Hackney Carriage Fares Calculator 2024



## Appendix 2

| DENBIGHSHIRE HACKNEY CARRIAGE FARE CHART effective DD MM YYYY FARES FOR DISTANCE \& TIME |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| All distance and time charges include uncompleted parts thereof. |  |  |  |  |  |
| Tariff 1: DAYTIME RATES: |  | Tariff 2: NIGHT AND HOLIDAY RATE: |  | 3. EXTRA CHARGES: |  |
| Rate per mile -Item 6(a) -after first mile |  | Rate per mile HIRNGS BETWEEN Midnight AND GAM ANO NATIONAL PUBLICIBANK HOLIDAYS, Easter Sunday, Christmas day, Boxing day and New Year's Day to be charge at Tarifit 2 a |  |  |  |
| HIRINGS Betwen gam and midnight |  |  |  |  |  |
| Item <br> T1 | Maximum charge up to (Item L) yards or (Item 10(a)) seconds | Item T2 | Maximum charge up to (Item L) yards or (Item 10(b)) seconds | For each passenger in excess of Four or each domestic pet or each item luggage outside passenger compartment | Item 0 |
| Item 8(a) | For each additional (ttem <br> L) yards <br> or <br> (Item 10(a)) seconds | Item 8(b) | For each additional (Item <br> L) yards <br> or <br> (Item 10(b)) seconds | Soiling the carriage leaving it unfit for immediate subs hiring | Item P |
| ALL LUGGAGE CARRIED INSIDE THE PASSENGER COMPARTMENT IS FREE OF CHARGE. ANY ASSISTANCE DOG IS CARRIED FREE OF CHARGE PAYMENT BY CREDITIDEBIT CARD IS FREE OF CHARGE. |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| If the journey takes the taxi outside the Denbighshire area, the driver MUST still charge in accordance with the above scale unless he/she has agreed otherwise with the hirer before the journey has started. These are the maximum fares chargeable. |  |  |  |  |  |
| complaint |  |  |  |  |  |
| Any complaints about a taxi or driver should be directed to: Licensing Team, County Hall, Wynnstay Road, Ruthin, LL15 1YN. Email: licensing@denbighshire.gov.uk; quoting, if possible, the taxi plate number and/or the driver's badge number. |  |  |  |  |  |

## Hackney Carriage (Taxi) Table of Fares Methodology and Procedure 2024

(This mechanism and process has been reproduced with permission of Guildford Council)

1. This methodology has been created to provide a transparent process for calculating taxi fares. The information provided in this document is supported by factual evidence. If statistical data is not available, the calculations are based on reasoned argument.
2. In determining the factors, consideration has been given to the fact that taxi proprietors often have differing business practices. Consequently, it is accepted that running costs may vary between businesses and it is not intended to compensate some proprietors for bad business practice or for figures that differ greatly from the average (e.g. higher salaries, costs of diverting telephones etc., not charging the full tariff amount). For this reason, an average calculation has been used.
3. All factors that are relevant to running a taxi have been considered following consultation with the taxi trade. This methodology and the relevant factors have been recommended by consultants and legal advisors and independently audited in other councils and judicially reviewed in 2018. The factors include:

| An allowance for an annual salary for the taxi driver | $£ 28,329$ |
| :--- | :--- |
| The average annual mileage of a licensed <br> Denbighshire taxi | 28,000 miles |
| The amount of mileage without a fare paying <br> passenger. This is referred to as the 'dead' mileage. | 14,000 miles |
| The amount of mileage with a fare paying <br> passenger. This is the average live mileage | 14,000 miles |
| The average travelled for each fare paying journey | 3 miles |
| The average number of journeys travelled with a <br> fare paying passenger in the taxi | $4,666.6$ <br> Journeys |
| Costs of running a diesel car in the £22,000 to <br> £26,000 (A A Report 2014) price bracket when <br> new per mile. |  |
| Depreciation per annum | $£ 3,708.47$ |
| Cost of Capital | $£ 607.69$ |
| Annual cost of insurance | $£ 1,500$ |
| Cost of road tax | $£ 190$ |
| Average breakdown cover | $£ 150$ |
| The average cost of fuel per litre | $157.8 p$ |
| Cost of tyres | $£ 600$ |
| Service labour costs AND vehicle cleaning costs | $£ 2,250$ |
| Replacement parts | $£ 64.28$ |
| Cost of providing a roof sign and meter, and annual <br> meter change (per year | $£ 310$ |
| Vehicle Licence and Test Fees | $£ 161$ |
| Driver's Vehicle Licence Fee | $£ 200$ |
| Cost of Card Payment Device |  |

4. Unless additional factors are identified they will remain constant each year however it is anticipated that the values will change annually.

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5. The values will be entered in to the Denbighshire Hackney Carriage Fares Calculator which will be used to calculate the charge per mile for the relevant year.
6. Any changes to the value of the charge per mile will be entered into the table of fares which will be considered by Licensing Committee and approved by the Lead Member for the Licensing function.

## The Average Wage

7. The proprietor (owner) of a taxi will not necessarily be the driver. Consequently, different arrangements may exist regarding any income from the use of the vehicle as a taxi. An owner and driver will retain all the income; however, a driver may pay the owner a sum of money to rent the vehicle on a weekly or monthly basis. The non-owner driver will then retain the remaining income obtained from taxi fares.
8. Therefore, in determining the taxi fares an appropriate level of remuneration must be established that recognises that different arrangements exist but which does not take individual circumstances and business practices into account.
9. The median annual gross salary for Denbighshire is $£ 28,329$ per annum which has been obtained from data published by the Office for National Statistics: https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Earnings/medianweeklyearnings-by-welshlocalareasyear.
10. Consideration was given to using the National Minimum Wage based on a 40 hour working week. The national minimum wage was increased to £11.44 per hour in April 2024. Assuming a person works 40 hours per week for 48 weeks of the year the minimum annual wage is equal to $£ 21,964.80$.
11. If the national minimum wage is used the average running costs for a taxi would significantly reduce and the fares would therefore significantly reduce.
12. It is therefore proposed that the published wage is used for Denbighshire obtained from the website of the Office for National Statistics.

The figure that should be used for calculations is the average of the four data sets shown in 9 above.

In respect of 2024 this is:
£28,329
This is shown as Item (A) on the Fares Calculator

## The Average Annual Mileage

13. The average annual mileage is rqeaget in aletermining taxi fares because it can
be used to determine the annual cost of running a taxi.
14. This average annual mileage is obtained from the odometer readings from a random selection of vehicles licensed by Denbighshire Council using the recorded mileage from publically available data on the government website.
15. In due course, mileage evidence will be obtained from recorded mileages at compliance tests with the average annual mileage per vehicle being divided by the number of licensed drivers to provide a true reflection of the average annual mileage per driver. This will address the issue of vehicles being used by multiple drivers. Until sufficient data is available it is proposed to simply relate to the total miles to the number of vehicles in the random sample.
16. The total number of miles of this random selection (33\%) was $1,933,000$ miles. This figure gives an average number of miles per vehicle of 28,426 .

## The figure that should be used for calculations is the average mileage shown in 16 above.

In respect of 2024 this is:

## 28,000 miles

# This is shown as Item (E) on the Fares Calculator 

## Dead Mileage

17. A taxi does not travel all of its mileage with a fare paying passenger on board. This is usually referred to as "dead mileage". It is not possible to calculate the exact amount of dead mileage travelled by each taxi.
18. For example, if customers are taken from point $A$ (the rank) to point $B$ and the taxi always returns to point $A$ without a customer on board the dead mileage would be approximately 50 per cent of the total mileage therefore this is the starting point for the calculation.
19. However, if customers are taken from point $A$ to point $B$ and the taxi occasionally returns to point A with a customer the dead mileage would be less than 50 per cent of the total mileage.
20. In addition, a number of other factors should be taken into account as follows:
a. taxis do not always return empty to the point of initial departure
b. taxis may travel with a customer from point $A$ to point $B$ and then from point $B$ to point $C$ thus not enduring any dead mileage
c. the taxi may be flagged down whilst returning empty to point A therefore the dead mileage will not always be the same distance as the initial paid mileage
d. taxis may operate by being pre-booked and this can reduce the amount of dead mileage for example from Point $A$ to the taxi rank and then from the taxi rank to point BPage 28
e. taxis drivers use the vehicle travelling to and from work
f. some drivers use their taxi for personal, social and domestic journeys away from work
21. By increasing the dead mileage, the cost of running a taxi will increase. Consequently, the cost of the fare and income will increase. Careful consideration should therefore be given to the figure allowed for dead mileage.
22. Information supplied by HMRC shows that the level of dead mileage will vary between council areas and cannot therefore, be stated as a fixed percentage. HMRC is aware that taxi journeys carried out on contract such as home to school trips or pre-agreed fares to airports will not always be recorded on the taximeter and could appear to be dead mileage when in fact there is a fare paying passenger in the vehicle. HMRC also state that any travel to and from the taxi drivers place of work is not deemed to be dead mileage for the purposes of calculating tax liability. Both of these factors therefore reduce the amount of dead mileage that can be included in the overall calculation.
23. Information in other areas of the country indicate that dead mileage accounts for between 33 per cent and 50 per cent of the total mileage travelled by the taxi.
24. A number of factors will cause this initial percentage to reduce such as travel to and from work, private journeys and unmetered journeys.
25. A driver who is resident in Denbighshire can ply for hire immediately within the county. However, the driver who is not resident in Denbighshire cannot ply for hire until the driver is within Denbighshire. Therefore, any mileage travelled before entering Denbighshire cannot be included in the dead mileage calculation.
26. Insufficient evidence to provide a definitive figure but respondents at a working group unanimously felt that $50 \%$ was an accurate figure.

The percentage that should be used for calculations is 50 per cent as shown in 26 above.

In respect of 2024 this is:

## 14,000 miles

This is shown as Item (F) on the Fares Calculator

## Average Live Mileage

27. The average live mileage is calculated by subtracting the dead mileage ( $F$ ) from the Annual Average Mileage (E).
28. 28,000 minus 14,000 is 14,000 miles.

The mileage that should be used for calculations is shown in 28 above.
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## In respect of 2024 this is:

## 14,000 miles

This is shown as Item (4) on the Fares Calculator

## Average Distance per Journey

29. The average distance travelled for each fare paying journey does not affect the cost per mile of running a taxi in Denbighshire however the figure is relevant when calculating the amount that may be charged by a taxi driver.
30. Information provided by licensed drivers indicate the average journey length is 3 miles for each journey

## The distance that should be used for calculations is shown in 30 above. <br> In respect of 2024 this is:

## 3 miles

This is shown as Item (J) on the Fares Calculator

## Average Number of Journeys

31. The average number of journeys travelled by a taxi in Denbighshire can be calculated by dividing the average live mileage (4) by the average distance per journey (J).
32. 14,000 divided by 3 equals $4,666.6$ journeys.

## The number of journeys that should be used for calculations is shown in 32 above.

In respect of 2024 this is:

## 4,666.6 Journeys

This is shown as Item $(\mathrm{K})$ on the Fares Calculator

## Costs of Running Diesel Car

33. The average costs of running a diesel car have been calculated without taking individual or differing business practices into account.
34. The AA calculates the running costs of a vehicle from various sources and quotes the figures as typical. Howeverptaig fegros do not represent all types of vehicle
and conditions of use. The AA Motoring Costs 2014 are calculated on the purchase price of the car when new and fall into 5 brackets
a. Up to $£ 16,000$
b. $£ 16,000$ to $£ 22,000$
c. $£ 22,000$ to $£ 26,000$
d. $£ 26,000$ to $£ 36,000$
e. Over $£ 36,000$.
35. Denbighshire has a mixture of saloon and purpose built wheelchair accessible vehicles in the licensed taxi fleet. The most popular make and model of the fleet is a Skoda Octavia which, when new, falls between brackets $£ 31,000-£ 36,000$. Adjusting these figures based on RPI Motoring costs indicate this value to be in the $£ 22,000$ to $£ 26,000$ of the 2014 report (see paragraph 38 below). Running costs vary considerably between each bracket and therefore the higher figure has been used to reflect the vehicles being used as taxis rather than purely for domestic use.
36. There are 224 Licensed taxis in 2024 within Denbighshire using the following fuel:
a. Diesel (173)
b. Petrol (21)
c. Hybrid (17)
d. Electric (12)
e. Biofuel (1)
37. In view of the high number of diesel vehicles we consider it appropriate to use the motoring costs for a diesel vehicle rather than an average of the running costs for diesel and petrol cars. AA figures are not available for hybrid vehicles.

## 38. Adjustment for inflation:

This process of tariff setting is used in many local authorities across the country. In the absence of direct information being available the calculator will use data from AA motoring reports. This process was subject to a Judicial Review in 2018 following challenge by licensed drivers on the basis that AA data was out of date. The Review found the process to be an appropriate method to determine costs where necessary.

The AA has however ceased producing its annual "Running Costs" upon which the methodology is based with 2014 being the latest published version. Any figures used from this report will be adjusted by the RPI Motoring costs published by the Office of national Statistics.

We consider this a reasonable approach and will use the price bracket in the 2014 AA Motoring report for a vehicle worth £22,000-£26,000. This, in 2024 equates to a figure around $£ 31,000$ to $£ 36,000$.

The costs associated with a vehicle in the bracket below (AA 2014
report) should be used for calculations and then adjusted for inflation using ONS RPI Motoring Expenditure Cost.

## £22,000 to £26,000

in real terms in 2024 this means a vehicle in the price bracket of $£ 31,000$ £36,000
This is included in item (B) on the Fares Calculator

## Depreciation

39. Different vehicles lose value at different rates depending on their make, age, mileage and condition.
40. The AA figures (adjusted for inflation) assume depreciation over 4 years at $£ 3708$ per year.
41. It must be noted that a significant proportion of the licensed fleet are already over 4 years old. Therefore, these vehicles have already depreciated beyond the level of the figures used and any depreciation beyond this point is not usually considered for accounting purposes.

Depreciation associated with a vehicle in the $£ 22,000$ to $£ 26,000$ (AA Report 2014) bracket adjusted for inflation should be used for calculations.

## £ 3,708.47

This is included in item (B) on the Fares Calculator

## Cost of Capital

42. This sum represents the loss of income from the owner having money tied up in a vehicle which could otherwise be earning money in a deposit account.
43. The purchase of vehicles is funded in different ways. Some vehicles are paid for with cash, some on Hire Purchase Finance, some vehicles are leased. The decision on how to purchase or lease a vehicle is an individual decision for the proprietor and differing business practices have not been taken into account.

Cost of capital associated with a vehicle in the $£ 22,000$ to £26,000 (AA Report 2014) bracket adjusted for inflation should be used for calculations.
£607.69
This is included in item ( $B$ ) on the Fares Calculator

## Annual Cost of Insurance

44. All insurance policies are different and some proprietors pay more than others depending on individual circumstances.

Page 32
45. In the absence of any information from licensed drivers on costs of insurance then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures
46. Information provided by licensed drivers responding to consultation indicate an average costs for insurance to be $£ 1,500$.

## Cost of insurance.

£ 1,500
This is shown as Item (B) on the Fares Calculator

## Cost of Road Tax

47. For diesel vehicles this is based on the standard cost of road tax associated with vehicles registered after 2017.

## Cost of road tax associated with a vehicle registered after 2017 with current tax brackets should be used for calculations.

£190
This is included in item (B) on the Fares Calculator

## Cost of Average Breakdown Cover

48. In the absence of any information from licensed drivers on costs of insurance then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures.
49. Information provided by licensed drivers responding to consultation indicate an average costs for breakdown are $£ 150$

## Cost of breakdown cover.

## £ 150

This is included in item (B) on the Fares Calculator

## The Average Cost of Fuel per Litre

50. The figures used by the AA are based on the national average fuel cost for garages and supermarkets for Wales. The latest figures available (published March 2024) show the average cost of diesel at 152.8 pence per litre
51. In addition to the cost of diesel (March 2024) an additional 5 pence per litre has been factored in to allow for any fyeudgehorbjes upwards to 157.8 pence per litre.

Figures were obtained the latest AA Fuel Price reports.
https://www.theaa.com/driving-advice/driving-costs/fuel-prices

> Average cost of diesel fuel for garages and supermarkets for Wales should be used for calculations with an additional 5 pence per litre.

## 157.8 pence per litre

This is included in item (B) on the Fares

## Cost of Tyres

52. AA figures give an Average tyre life of approximately 20,000 miles front and 40,000 miles rear. Given the average mileage is 28,000 miles it is appropriate to consider a full set of tyres each year
53. Where information is provided by licensed drivers we will use the average cost of from those respondents to ascertain the cost per mile for tyres. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures
54. Information provided by licensed drivers responding to consultation indicate an average annual costs for tyres is $£ 600$.
55. $£ 600$ divided by 28,000 miles $=2.14$ pence per mile for tyres

## Average annual cost of tyres.

$£ 600$

## This is included in item (B) on the Fares Calculator

## Service Labour Costs

56. The Service Labour costs cover normal servicing and parts replacement taking UK average labour rates.
57. Where information is provided by licensed drivers we will use the average cost of from those respondents to ascertain the cost per mile for servicing. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figures
58. Information provided by licensed drivers responding to consultation indicate an average annual costs for servicing is $£ 750$
59. We are adding to this section an amount to cover costs for vehicle cleaning with an assumption of weekly costs at $£ 30$ each for an annual amount of $£ 1,500$

$$
\text { Page } 34
$$

60. $£ 750$ plus $£ 1,500$ divided by 28,000 miles $=8.02$ pence per mile for service / cleaning

Average service labour costs and vehicle cleaning costs.

## £2,250

This is included in item (B) on the Fares Calculator

## Replacement Parts

61. Replacement parts items that may need to be replaced through normal driving conditions such as brake materials, oils, filters, bulbs, wipers etc.
62. Where information is provided by licensed drivers we will use the average cost of from those respondents to ascertain the cost per mile for replacement parts. Should this not be the case then we will use the AA value when calculating the overall cost per mile, adjusted for annual RPI figure
63. Information provided by licensed drivers responding to consultation was inconclusive.
64. Cost per mile of is obtained from the AA running costs for a diesel vehicle in the $£ 22,000$ to $£ 26,000$ (2014 AA Motoring Report) price bracket is 2.58 pence per mile. Adjusted for inflation this works out at 3.58 pence per mile
65. 28,000 miles multiplied by 3.58 is $£ 1,002.40$

Average replacement parts costs associated with a vehicle in the £22,000 to £26,000 (AA Report 2014) bracket adjusted for inflation should be used for calculations.
$£ 1,002.40$
This is included in item ( $B$ ) on the Fares Calculator

## Other Factors

66. Additional costs associated with running a taxi in Denbighshire are also included in the overall costs:
a. The annual vehicle licence fee 2024 applies to all vehicles. This is currently £200. All vehicles require two compliance tests at around £55 each. Total $£ 310$ (Item D on the Calculator).
b. The tri-annual driver's licence fee (Item H on the Calculator). The total fee is $£ 483$ (made up of Dual driver licence plus DBS plus DVLA check plus Group 2 Medical (eqtiagtedgtg range fee) which is £161 per year
(pro-rata).
c. The cost of providing a taxi roof sign and taxi meter. (Item I on the Calculator). All taxis have to be equipped with a roof sign and meter. There is a one off cost of supplying a roof sign and meter, although the meter has to be adjusted as the tariff changes. Information provided by licensed drivers responding to consultation indicate an average costs for meters and roof sign to be £450. Responses to lifespan were variable and for this purpose the length of time outlined in the vehicle policy is used i.e. new to fleet at 5 years and remove at 12 years. Therefore, over a 7 -year life of a vehicle these this is a cost of $£ 64.28$ per year.
d. Cost of Card Payment Device Licensed drivers are not mandated to have card payment devices but an option for ease. Although the cost of a card meter is determined by usage information is provided by licensed drivers responding to consultation indicates the average annual costs are around £200
As a taxi can only charge in accordance with the Councils fixed table of fares and as legislation prohibits including additional card payment fees on prices, in order to recover this cost it must be included as part of the running costs.

Therefore, the total running costs (Item 3 in the calculator) can be uplifted in order to recover this cost.

## Additional costs associated with operating a taxi in Denbighshire should be used for calculations.

Vehicle Licence and Test Fees $£ 310$

This is included in item (D) on the Fares Calculator
Driver’s Vehicle Licence Fee £161
This is included in item (H) on the Fares Calculator
Cost of Roof sign / Meter £64.28
This is included in item (I) on the Fares Calculator
Cost of Card Payment Device £200
This cost is included in the Total Running Cost item (3) on the Fares Calculator

## Calculation of the Fare that should be Charged per Mile

67. Each of the factors outlined in this methodology are then used to calculate the average cost per mile of running a taxi in Denbighshire.
68. To calculate the average running costs:
a. Multiply the cost per miRagenBigg a diesel car (Item B on the Calculator)
by the annual average mileage of a Denbighshire taxi (Item E on the Calculator) and add
b. Items C, D, H and I
69. To calculate the total running costs (Item 3 on the Calculator) add the Annual salary (Item 1 on the Calculator) to the Average Running Costs (Item 2 on the Calculator).
70. To calculate the cost per mile (Item 5 on the Calculator) divide the total running costs (Item 3 on the Calculator) by the average live mileage total running costs (Item 4 on the Calculator)
71. The cost that should be charged per mile can then be calculated.
72. Each journey will include an initial fare that may be charged for any distance up to the 660 yards. This fare is called the "Flag Drop". Once the first 660 yards has been completed an amount may be charged for each 220 yards (eighth of a mile) or part thereof.
73. In order to prevent the flag drop artificially exaggerating the cost per mile, the fare that should be charged for each mile should also take the flag drop into account. To achieve that the following calculation should be used:
a. subtract the average number of journeys (Item K on the Calculator) multiplied by the 'flag drop' (Item T1 on the Calculator) from the total running costs (Item 3 on the Calculator) and then
b. divide this figure by the average live mileage (Item 4 on the Calculator) to give the Charge per mile (Item 6 on the Calculator) then
c. divide the charge per mile (Item 6 on the Calculator) by 8 and multiply by 100 to produce a figure in pence
d. This figure should then be rounded to the nearest 10 pence (Item 7 on the Calculator).
74. This figure should be multiplied by 5 and added to the Flag drop to obtain the value that may be charged for one mile (1,760 yards)
75. Any subsequent miles (or part thereof) can be calculated by multiplying (Item 7 on the Calculator) by 8 .

## Extras

76. In addition to the charge per mile, the existing extra charges of 20 pence for passenger in excess of four may be applied to each journey.
77. This will assist the larger vehicles which have a lower fuel economy.
78. Further permitted extras will include:

- Luggage at 20 pence per item
- Pets at 20 pence per pet
- $\quad$ Soilage at $£ 100$

79. These can be charged as relevant and are approved through the Lead Member alongside the overall tariff

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| DENBIGHSHIRE COUNTY COUNCIL HACKNEY CARRIAGE FARE |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| FARES FOR DISTANCE \& TIME |  |  |  |  |  |
| All distance and time charges include uncompleted parts thereof. |  |  |  |  |  |
| Tariff 1: DAYTIME RATES: |  | Tariff 2: NIGHT AND HOLIDAY RATE: |  | 3. EXTRA CHARGES: |  |
| Rate for the first mile: $£ 4.87$ |  | Rate for the first mile: $£ 6.31$ |  |  |  |
| Rate for each mile thereafter: $£ 2.07$ |  | Rate for each mile thereafter: $£ 3.11$ |  |  |  |
| HIRINGS BETWEEN 6am and midnight |  | HIRINGS BETWEEN midnight AND 6AM AND NATIONAL PUBLIC/BANK HOLIDAYS, Easter Sunday, Christmas Day, Boxing day and New Year's Day to be charge at Tariff 2 all |  |  |  |
| $23.00$ | Maximum charge up to 170 yards or 30 seconds | $23.50$ | Maximum charge up to 170 yards or 30 seconds | For each passenger in excess of Four or each domestic pet or each item luggage outside passenger compartment: | $2$ |
|  |  |  |  |  |  |
| 20p | For each additional 170 yards or 30 seconds. |  | For each additional 170 yards or 30 seconds. | Soiling the carriage leaving it unfit for immediate subs hiring: |  |
| ALL LUGGAGE CARRIED INSIDE THE PASSENGER COMPARTMENT IS FREE OF CHARGE. ANY ASSISTANCE DOG IS CARRIED FREE OF CHARGE. |  |  |  |  |  |
|  |  |  |  |  |  |
| IMPORTANT |  |  |  |  |  |
| If the journey takes the taxi outside the Denbigshire area, the driver MUST still charge in accordance with the above scale unless he/she has agreed otherwise with the hirer before the journey has started. These are the maximum fares chargeable. |  |  |  |  |  |
| complaints |  |  |  |  |  |
| Any complaints about a taxi or driver should be directed to: Licensing Team, County Hall, Wynnstay Road, Ruthin, LL15 1YN. Email: licensing@denbighshire.gov.uk; quoting, if possible, the taxi plate number and/or the driver's badge number. |  |  |  |  |  |

Tariff Comparison - north Wales authorities

| Current 2 mile journey | Denbighshire | Anglesey | Conwy | Flintshire | Wrexham | Gwynedd |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
|  | $£ 6.00$ | $£ 6.30$ | $£ 6.60$ | $£ 5.80$ | $£ 5.60$ | $£ 6.00$ |


| Proposed 2 mile journey | Denbighshire | Anglesey | Conwy | Flintshire | Wrexham | Gwynedd |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
|  | $£ 6.94$ | $£ 6.30$ | $£ 6.60$ | $£ 5.80$ | $£ 5.60$ | $£ 6.00$ |

## Agenda Item 8

| REPORT TO: | Licensing Committee |
| :--- | :--- |
| DATE: | $5^{\text {th }}$ June 2024 |
| LEAD OFFICER: | Head of Planning, Public Protection <br> and Countryside Services |
| CONTACT OFFICER: | Senior Licensing Officer <br> licensing@denbighshire.gov.uk |
| SUBJECT: | Review of licensing requirements for |
|  | Wheel Chair Accessible Vehicles |

## 1. PURPOSE OF THE REPORT

1.1 For Members to consider reviewing the existing requirements for wheel chair accessible vehicles (WAVs) licensed by the Council.

## 2. EXECUTIVE SUMMARY

2.1 Members requested officers review the current process for licensing WAVs for new and renewal applications due to the reported lack of availability of such vehicles in Denbighshire and as a result of a taxi proprietor approaching some Members to review the existing licensing requirements.
2.2 Should Members support proposing to amend the current process for licensing WAVs that they authorise Officers to consult with existing licence holders.

## 3. POWER TO MAKE THE DECISION

3.1 Local Government (Miscellaneous Provisions) Act 1976 and Town Police Clauses Act 1847.

## 4. BACKGROUND INFORMATION

4.1 The existing Hackney Carriage and Private Hire Vehicle Policy, together with vehicle specification and conditions, was approved at the December 2016 committee meeting, following extensive consultation, and came into effect on the $1^{\text {st }}$ of July 2017. There have been a number of small amendments since this date, with the most recent being in 2022 when Members resolved to retain the current age limits for all licensed vehicles.
4.2 The existing policy conditions, at paragraphs 2.4.3 and 5.4.3, place an age restriction on vehicles whether new or for renewal, namely that all new to fleet vehicles must be a maximum of 5 years old and any vehicle reaching the age of 12 years old must be removed.
4.3 Members will recall that the upper age limit for vehicles to be allowed to stay licensed had grandfather rights originally until 2022, however these rights have been extended twice as a result of the 2020 Covid pandemic and the affects this had on the licensed trade, and will finally come into effect on the $1^{\text {st }}$ July 2024.
4.4. Currently WAVs are required to meet the same licensing criteria as any other vehicle, however the costs associated with WAVs are much higher than a non-wheelchair accessible vehicle. A review of the current process is supported by Denbighshire School Transport as they have highlighted the need for additional WAVs to carry out school contracts.
4.5 Officers and Members have been approached by a small number of the taxi trade to review the process to make it more affordable to licence WAVs by either:

Removing the age limit for new vehicle applications or Relaxing the upper age limit for renewal applications.
4.6 Department for Transport Best Practice guidance, which all Welsh authorities should have regard to until the Welsh Government have published their statutory guidance states "The setting of an arbitrary age limit may be inappropriate, counterproductive and result in higher costs to the trade and ultimately passengers. For example, a maximum age for first licensing may have adverse unintended consequences. A 5-year-old used electric vehicle will produce less emissions than a new Euro 6 diesel or petrol car - enabling the trade to make use of previously owned vehicles will assist it to transition more rapidly to zero emission vehicles and improve air quality.

Licensing authorities should not impose age limits for the licensing of vehicles instead they should consider more targeted requirements to meet their policy objectives on emissions, safety rating and increasing wheelchair accessible provision where this is low."
4.7 The current position with regards to the Welsh Government's Taxi and Private Hire Vehicle (Wales) Bill white paper is that they may be able to consult on their proposals for National Standards (that include maximum vehicle age or emissions) later this year, however they do encourage local authorities to continue adapting and evolving their existing policy.
4.8 Members may wish to consider whether it would be appropriate to remove the minimum and maximum age limits for WAV's and introduce a minimum emissions requirements such as Euro 6 standards (being the highest standard to date), as recommended by the Department for Transport.
4.9 For Members information, Euro New Car Assessment Programme (Euro NCAP) was established to provide an independent safety rating for new cars. Euro NCAP ratings take into account three factors of protection - for adults, children and pedestrians - plus the level of safety technology onboard a car. Although not a legal requirement it is considered an independent testbed for new cars. A car's Euro NCAP rating expires after six years. Whilst this is primarily due to Euro NCAP constantly raising its standards in scoring as technology advances and not necessarily due to the decline in the safety aspects of a vehicle it indicates the increased safety standards likely to be found in newer vehicles
4.10 Members may wish to note that older vehicles tend to have higher emissions because they use less sophisticated emissions control technology than newer vehicles and may be built to less stringent emission standards. Whilst it is recognised that emissions should remain the same for the life of the vehicle, age will be a major factor in any deterioration of those standards due to wear and tear on parts and, more importantly, the prevalence of a robust and regular maintenance schedule. Whilst many used vehicles are sold with a service history there are some that are sold with no recognisable service record.
4.11 All vehicles first registered after 1992 have had to be manufactured to a particular standard for emissions which will dictate the standard for the life of the vehicle, unless there is a manufacturers plate stating otherwise. The standards are tested at MoT and are as follows for vehicles first registered:

- Euro 1-31 December 1992
- Euro 2-1 January 1997
- Euro 3-1 January 2001
- Euro 4-1 January 2006
- Euro 5-1 January 2011
- Euro 6-1 September 2015
4.12 Members will note that vehicles up to 9 years of age will need to comply with the highest emission standard.
4.13 As electric vehicles have zero emissions they will always meet the Euro 6 or above standards.
4.14 Initial discussions with Denbighshire' Fleet Services have taken place to gauge their opinion on whether they would support a different approach to
the minimum licensing requirements for WAVs and they have commented that they can't see any valid argument as to why any WAV licensed vehicles should be given any different terms and conditions to any other licensed hackney carriage or private hire vehicle as all vehicles licensed by Denbighshire should all meet the highest possible standards. They also have concerns that if allowances are made for WAVs that it may open the door for licence holders to request Members review the minimum standards for all hackney carriage and private hire applications.
4.15 Additionally, officers from within the Council's Passenger Transport section have indicated that they would support an increase of the number of WAVs available to carry learners.
4.16 The below table sets out the number of WAV's currently licensed by Denbighshire along with the age, out of a total of 271 licensed hackney carriage and private hire vehicles. There is approximately a equal split of WAV's currently licensed as either hackney carriage or private hire:

| Year of Registration | Age | No of WAVs |
| :--- | :--- | :--- |
| 2003 | 21 | 1 |
| 2004 | 20 | 1 |
| 2013 | 11 | 1 |
| 2014 | 10 | 2 |
| 2015 | 9 | 3 |
| 2016 | 8 | 1 |
| 2017 | 7 | 4 |
| 2018 | 6 | 3 |
| 2019 | 5 | 3 |
| 2021 | 3 | 2 |

4.17 Should Members consider proposing implementing Euro 6 emission standards as a minimum licensing requirement for WAVs, it would allow all existing licensed WAVs registered from Sept/Oct 2015 to remain licensed past 12 years of age with possible further testing requirements. It would also encourage more new applications as the current Euro 6 emissions standards would allow a 9 year old WAV to be licensed.
4.18 Should Members support further testing requirements for WAV vehicles that have reached the age of 12 years and older, this could involve an additional compliance test, at an approved testing station of the licence holders choice. It would be proposed that a compliance test would be required at 4 monthly intervals and at least one test a year must be at Denbighshire Fleet Services.
4.19 Currently the most popular WAV licensed by Denbighshire is a Ford Tourneo, of which we have 4 and to assist Members further the following information sets out the approximate cost of a WAV for this make and model which has been sourced from a basic internet search from a reputable car dealer:

5 year old (2019) model - diesel with 40,00 miles is approx. $£ 24,000$ 8/9 year old (2016) model - diesel 100,00 miles is approx. £14,000
4.20 Members may also have the option to consider requiring all new applications for a Hackney Carriage vehicle to be a WAV. This could however have both a negative and positive impact moving forward, as it could increase the amount of WAV's licensed as hackneys, which can only be seen as positive, however it could deter the trade from submitting applications for new hackney carriages and instead apply for a private hire vehicle licence.
4.21 Any significant changes to policy should only be implemented following consultation with licensed operators and proprietors as well as interested parties as relevant

## 5. CONSIDERATION

5.1 Whilst all the information above is relevant, Officers are mindful that the Welsh Government review is still on-going, which is likely to include some further restrictions on either vehicle age or emissions. However, the shortage of licensed WAVs does need to be addressed and it is therefore recommended that Members consider one of the following options:
a. Make no amendments to the current licensing requirements for WAVs meaning that they are licensed on the same basis as a "regular" vehicle.
b. Consider removing the current age requirements for WAVs and replacing it with all WAVs must meet Euro 6 emission standards with an additional compliance test per year once the vehicle reaches 12 years of age and each year it is licensed thereafter i.e. 3 tests a year at 4 monthly intervals.
c. Consider (b) above without any additional compliance testing
d. Consider that all new applications for a Hackney Carriage Vehicle licence be wheelchair accessible

## 6. RECOMMENDATION

6.1 Given the considerations outlined above, Members note the content of the report and in the first instance authorise Officers to instigate a consultation exercise with all interested parties on options 5(1) a-d and report back to a future meeting on the results of the consultation.

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## Agenda Item 9

| REPORT TO: | Licensing Committee |
| :--- | :--- |
| DATE: | $5^{\text {th }}$ June 2024 |
| LEAD OFFICER: | Head of Planning, Public Protection <br> and Countryside Services |
| CONTACT OFFICER: | Senior Licensing Officer <br> licensing@denbighshire.gov.uk |
| SUBJECT: | Forward Work Programme 2024/25 |

## 1. PURPOSE OF THE REPORT

1.2 To advise Members of the priorities of the Licensing Section, together with an update on the agreed work programme for the Licensing Committee for 2024/25.

## 2. EXECUTIVE SUMMARY

2.1 The priorities of the Licensing Section reflect the duty placed on the Authority in relation to its responsibilities in relation to its licensing function, and the effective regulation, control and enforcement of Licensees, and the Authority's commitment to safer communities and the development of the economy.
2.2 A proposed Forward Work Programme is attached, at Appendix 1, for Members to consider and approve.

## 3. BACKGROUND INFORMATION

3.1 In drafting this Forward Work Programme, Officers have considered the policies relevant to the Licensing committee and the review dates of those policies along with any potential legislative changes being proposed by Welsh and Central Government.
3.2 Due to some significant changes to the staffing structure within the Licensing Section, which will have an effect on existing staff workloads, the priorities of reviewing some of the planned policies have been rescheduled within the Forward Work Programme.
3.3 A revised Forward Work Programme can be found at Appendix A to include the above matters.

## 4. RECOMMENDATION

4.1 It is recommended that Members note the contents of the report, and
4.2 It is further recommended that Members consider and approve the updated Forward Work Programme detailed at Appendix A for 2024/25.

## Licensing Committee

## Forward Work Programme 2024/25

| Committee Date | Report | Comment |
| :---: | :---: | :---: |
| 11 September 2024 | Hackney Carriage Tariff | To update following Methodology Calculator review |
|  | Special Procedures | Update report on new legislation |
|  | Wheelchair Accessible vehicle licensing requirements | To update Members following review and any action from previous meeting |
| 4 December 2024 | Member training | Training session on updates on legislation and refresher training |
| March 2025 | Review of Street Collection Policy | To review the existing policy |
|  | Review of House to House Collection Policy | To review the existing policy |
| June 2025 | Review of Hackney Carriage and Private Hire Policy and Conditions | To review the existing policy |
|  | Review Private Hire vehicle plate exemption policy | To review the exiting policy |
|  | Review of Hackney Carriage Intended Use Policy | To review the existing policy |
| NOTE - Committee work programme may change due to urgent matters during the year |  |  |

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