



REPORT TO:	REGULATORY & APPEALS COMMITTEE
DATE:	07 June 2022
SUBJECT:	REVIEW OF MAXIMUM HACKNEY CARRIAGE FARE STRUCTURE
PURPOSE:	To review the proposed increase to the maximum fare structure and make a decision on the proposal to be put forward to Cabinet.
KEY DECISION	Yes
PORTFOLIO HOLDER:	COUNCILLOR PAUL SKINNER
REPORT OF:	Senior Licensing Officer
REPORT AUTHOR:	Anna M ^c Dowell
WARD(S) AFFECTED:	All
EXEMPT REPORT?	No

SUMMARY

The Boston Hackney Carriage Association (BHCA) has submitted a request for a review of the hackney carriage maximum fare structure. The last increase in fares was implemented in April 2018.

This report sets out 3 options with respect to the maximum fare structure for hackney carriage vehicles.

RECOMMENDATIONS

The Committee is asked to consider both the request made by BHCA and the officer suggested alternative, and in taking into account the responses to the consultation from the trade is recommended to agree to the preferred officer proposed option (page 4, para 4, option 2) and increase the maximum fares to be presented to Cabinet for consideration.

REASONS FOR RECOMMENDATIONS

The BHCA proposal only offers an increase on the flag fall charge and does not provide any financial increase for subsequent mileage. In addition, the BHCA proposal does not have any increase on tariff 3. This would mean that any vehicle carrying between five and eight passengers between 23.00 hours and 07.00 hours the following day on the designated days would not receive any increase in monies earned.

The officer proposed option would provide simplification of the fare structure and work on a similar principle to the other fare structures across the South & East Lincolnshire Council Partnership area.

OTHER OPTIONS CONSIDERED

Agree to the fare structure as applied for by Boston Hackney Carriage Association.

Not approve a fare increase.

Recommend an alternative variation to fares, including a decrease, to Cabinet. Any alternative fare must be capable of being programmed into a taximeter. Officers do not recommend a decrease in the hackney carriage fares.

BACKGROUND

There has been no increase in the maximum fares for hackney carriages since April 2018. Since the previous fare rise, the cost of living has risen with petrol and diesel prices being the highest in record (Office for National Statistics).

It is appropriate to review and increase the fares periodically.

It is the officer's view that it would be appropriate to increase fares to provide an increased income for taxi proprietors and drivers whilst maintaining a reasonably priced taxi service for members of the public. Proprietors or drivers who are opposed to the increase can opt to continue to operate using the existing tariff.

REPORT

1. INTRODUCTION

- 1.1 In accordance with the provisions of Section 65(1) of the Local Government (Miscellaneous Provisions) Act 1976 a council may fix fares for time and distance, and other charges, in respect of the hire of hackney carriages. For the purpose of setting fares the "council" means the executive by virtue of the Local Authorities (Functions & Responsibilities)(England) Regulations 2000 (as amended).
- 1.2 The Boston Hackney Carriage Association (BHCA) have made representation to the council for an increase to the maximum fare structure. A copy of the request is attached at **APPENDIX A.**
- 1.3 In its capacity as Licensing Authority, the council sets the maximum hackney carriage (taxi) fare structure for a hiring beginning and ending within the Borough. It is unlawful to charge a

rate above that set by the authority. The aim when setting fares is to achieve an efficient and reasonably priced taxi service for both taxi proprietors and drivers. Members may wish to note that the council cannot set a maximum fare structure for private hire vehicles.

- 1.4 The last increase in the fare structure was April 2018. At the time of the previous fare review there was an increase in the fares for longer journeys to between £20.40 and £35.20 for a 10-mile trip depending on the tariff and a smaller increase for shorter journeys to between £4.20 and £8.20 for a 1-mile trip depending on the tariff.
- 1.5 Any proposed variation of the fare structure must be agreed by Cabinet and advertised in a local newspaper. A period of at least 14 days must be given for objection. If objections are received the representations must be considered by Cabinet who can agree, in light of objections, to modify the tariff or agree to implement the original agreement.

2. BACKGROUND INFORMATION

- 2.1 When setting the maximum hackney carriage fare structure the relevant legislation (The Local Government (Miscellaneous Provisions) Act 1976) does not stipulate the external factors to be taken into account and there is no limit on the amount of increase or variation.
- 2.2 In Boston there are 3 Hackney Carriage Fare Tariffs, all with fares for distance and waiting time. A copy of the current tariff sheet is attached at **APPENDIX B**.

A fare for distance is the cost of a journey whilst the vehicle is in motion. The fare for distance comprises the initial charge being the amount shown on the meter at the commencement of the journey (the flag fall) and a subsequent charge for the distance travelled (the unit charge).

Waiting time is a charge on the meter when the vehicle is stationary during the journey or travelling at negligible speed, e.g. in traffic queues. If a passenger requests a hackney carriage driver to wait at any time during the journey the waiting time applies. In order for a taximeter to operate correctly the waiting time costs must be equal in monetary intervals to fares for distance, i.e. if the fare for distance is £0.20 per xxx yards the waiting time must be £0.20 for xxx seconds.

Hackney carriage tariffs must be stipulated in yards/miles and not metres/kilometres as this is the standard unit used in the UK for measuring distance and speed in motor vehicles.

3. HACKNEY CARRIAGE TARIFFS

- 3.1 The 3 different hackney carriage fare tariffs, each used for different types of vehicle and times of day are:

Tariff 1 Vehicles carrying up to 4 passengers between 0730 and 2300hrs.

Tariff 2 Vehicles carrying up to 4 passengers between:
2300hrs and 0730hrs and on Sundays and statutory bank holidays
16.00 hours on 24 December until 07.30 hours on 27 December
16.00 hours on 31 December until 07.30 hours on 2 January

This tariff also applies to vehicles carrying 5 - 8 passengers on any day between 07.30 hours and 23.00 hours.

Tariff 3 Vehicles carrying 5- 8 passengers between:
 23.00 hours and 07.30 hours on Sundays and statutory bank holidays,
 16.00 hours on 24 December until 07.30 hours on 27 December
 16.00 hours on 31 December until 07.30hrs on 2 January.

Extra charges

A booking fee may be charged. This usually occurs when the pick-up point is at a stated place rather than a hackney carriage rank or the proprietor’s normal base of operation. The customer must be told the amount of the booking fee at the time of booking.

Soiling charge
 Baggage charge

4. PROPOSED TARIFF INCREASE

- 4.1 The BHCA has submitted a request for a tariff increase. The Committee is requested to consider the options below and make a recommendation to Cabinet for consideration.
- 4.2 There are 3 proposed options as follows:

Option 1 – request submitted by the Boston Hackney Carriage Association

The fares for the flag fall on tariff 1 and 2 be varied in accordance with the increase requested by the Boston Hackney Carriage Association with no increase to tariff 3. The proposal would increase fares as follows:

Tariff 1	
Flag fall including 391.11 yards	£3.40
Each subsequent mile (20p per 195.56 yards)	£1.80
Waiting time 60 seconds or part of	20p
Cost of a 1 mile journey	£4.80
Cost of a 10 mile journey	£21.00
Tariff 2	
Flag fall including 293.33	£5.10
Each subsequent mile (20p per 146.67 yards)	£2.40
Waiting time 42.53 seconds or part of	20p
Cost of a 1 mile journey	£7.10
Cost of a 10 mile journey	£26.70
Tariff 3	
Flag fall including 234.67 yards	£5.60
Each subsequent mile (20p per 117.33 yards)	£3.00
Waiting time 40 seconds or part of	20p
Cost of a 1 mile journey	£8.20
Cost of a 10 mile journey	£35.20

Increase the booking fee to a maximum of £8.00 and increase the soiling charge to a maximum of £100.

Option 2 – Officer suggested alternative

The officer proposed option gives an alternative to that proposed by BHCA. The proposal is intended to align the design of the structure with other authorities across Lincolnshire and give a proportionate increase over all 3 tariffs. The new design would, by nature, give customers a clearer breakdown of expected journey costs and simplify future fare structure reviews.

This option would increase fares for tariff 1 as per the request by Boston Hackney Carriage Association with tariff 2 charges being set at a 50% increase of tariff 1 and tariff 3 charges being set at a 100% increase of tariff 1.

Tariff 1	
1 mile journey flag fall including 400 yards	£3.40
Each subsequent mile (20p per 190 yards)	£1.80
Waiting time 60 seconds or part of	20p
Cost of a 1 mile journey	£4.80
Cost of a 10 mile journey	£21.00
Tariff 2 – 50% increase on tariff 1	
Flag fall including 400 yards	£5.10
Each subsequent mile (30p per 190 yards)	£2.70
Waiting time 60 seconds or part of	30p
Cost of a 1 mile journey	£7.20
Cost of a 10 mile journey	£31.50
Tariff 3 – 100% increase on tariff 1	
Flag fall including 400 yards	£6.80
Each subsequent mile (40p per 190 yards)	£3.60
Waiting time 60 seconds or part of	40p
Cost of a 1 mile journey	£9.60
Cost of a 10 mile journey	£42.00

Increase the booking fee to a maximum of £8.00 and increase the soiling charge to a maximum of £100.

The officer proposed option would provide simplification of the fare structure and work on a similar principle to the East Lindsey District Council, South Kesteven District Council and North Kesteven District Council fare structures.

If the committee is of the view a fare increase is appropriate but are minded not to recommend Option 2, a further option (Option 3) could be considered.

The committee is advised that it can recommend an alternative option to Cabinet but any proposed tariff must be capable of being programmed into a hackney carriage meter.

Option 3

Members also have the option to make other changes to the fare structure as they deem appropriate or alternatively, make no changes to the maximum fare structure at this time.

4.3 An example of both proposed tariff sheets are attached at **APPENDIX C**.

4.4 The following table gives the current costs for a journey of 1 and 10 miles for other Lincolnshire Authorities:

	Tariff 1		Tariff 2		Tariff 3		Last review
	1 Mile	10 Miles	1 mile	10 miles	1 mile	10 miles	
East Lindsey	£4.40	£20.60	£6.60	£30.90	£8.80	£41.20	Nov 21
South Holland	£4.35	£20.55	£5.80	£27.40	£7.25	£34.25	Jul 19
South Kesteven	£3.50	£19.70	£5.25	£29.55	£7.00	£39.40	2012
North Kesteven	£4.60	£20.80	£6.90	£31.20	£9.20	£41.60	Oct 19
NE Lincolnshire	£4.50	£19.80	£5.10	£24.00	£5.80	£29.20	Mar 22

It is requested the committee considers the proposed options and recommends to Cabinet either one of these options or an alternative tariff capable to being programmed into a taximeter. For ease of reference a side by side comparison of all current and proposed structures is attached at **APPENDIX D**.

5. CONSULTATION

5.1 Consultation was undertaken with all hackney carriage drivers and between 11 March 2022 and 01 April 2022. From the 148 consultation papers issued, 27 responses were received. Of those respondents, the majority favoured the officer proposed structure. Results and comments from responses received are attached at **APPENDIX E**.

6. CONSIDERATIONS

6.1 Officers conducted a consultation, ahead of any statutory process, by writing to all hackney carriage proprietors and drivers, advising them of the requested increase and seeking their views.

6.2 Other information the committee may wish to take into account when considering making a recommendation to Cabinet is provided below:

- At the time of the last report to committee on 27 November 2017 for a fare increase, the cost of diesel was £1.2379/litre (ONS).
- At the time of writing this report the cost of diesel was £1.7633/litre (ONS), an approximate increase of 42.5% since the November 2017 report. The average fuel tank capacity for a saloon car is 60 litres. In November 2017, 60 litres of diesel cost £74.27. By comparison, the cost of the same quantity of diesel at the time of writing this report was £105.80.
- The council can only set fares for hackney carriages; Private Hire Operators can set their own fares which could be significantly higher or lower than the hackney carriage fares set by the council.
- The law relating to the calibration of taximeters was clarified in the case of R v Liverpool City Council, ex p Curzon Limited (1983). This case indicated that it was lawful for a proprietor to calibrate his taximeter to a lower fare than the maximum fare

set by the Council. The Council can advise and encourage but it cannot legally require those proprietors to change their meters from a lower rate to the maximum rate. Therefore, if a tariff increase is implemented, those taxi proprietors who do not wish to recalibrate their meters, possibly due to the need for a meter replacement, would be free to continue to operate using the existing tariff.

7. CONCLUSION

- 7.1 It is requested the committee consider the proposed options and recommend, to Cabinet, one of these options or an alternative tariff capable of being programmed into a taximeter. An example of an alternative would be to recommend a higher or lower increase to that shown in Option 1 and 2. A recommendation could be made to reduce the maximum fares, however, given the rise in the cost of living, officers would not recommend this.
- 7.2 There has been no increase in the maximum fare since April 2018. It is anticipated that an appropriate increase in the initial charge will maintain a reasonably priced taxi service for members of the public whilst also providing increased income for taxi proprietors and drivers.
- 7.3 Proprietors or drivers who are opposed to the increase can opt to continue to operate using the existing tariff.
- 7.4 Officers are of the view that having regard to the increase in living costs, including increased fuel costs an increase in the maximum fares is recommended to Cabinet for consideration.

EXPECTED BENEFITS TO THE PARTNERSHIP

By working together as a partnership the three sovereign councils benefit from the learning and experience of each other and also the trade benefits from a consistency and uniformity of approach from the Licensing service across the sub-region.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

Whilst the fare structure that Members are asked to review only affects the Borough of Boston, Members can be assured that collaboration with other Councils in the Partnership has taken place to ensure, as far as possible, that there is consistency in the proposals, whilst respecting the unique character of each locality.

CORPORATE PRIORITIES

Taxi fares should be set at a level, which maintain the safety, security and welfare of the Borough's residents and visitors whilst at the same time looking to maintain the economic wellbeing of the taxi trade.

STAFFING

There are no direct implications in terms of staffing, however, should the fare structure be subject to change there will be a considerable short-term impact on the administrative duties of the section.

CONSTITUTIONAL AND LEGAL IMPLICATIONS

Any proposed variation of the hackney carriage fare structure must be advertised and a period of time allowed for objections. If any objections are received, then the Cabinet must consider the objection(s) before introducing the proposed variation or amending the initial proposal to vary the fares. However, objectors do not have a legal right of audience before the Cabinet.

A copy of the proposed tariff must be available at the Council's offices for the public to inspect, free of charge, at all reasonable hours.

If there are objections the Council must set a further date, within two months from that date first specified, on which the table is to come into force with or without modification, as decided.

There is no legal requirement for the Council to advertise a decision not to increase the fare structure. Similarly, there is no legal right to submit an objection to a decision not to increase the fare structure.

There is no right of appeal to the Magistrates Court regarding a licensing authority's decision on the level of hackney carriage fares. However, any aggrieved person would have the option of applying for a judicial review of the decision or making a complaint to the Ombudsman.

In theory the Committee can decrease the maximum fare structure (or remove sections of the fare structure) if it is minded to do so.

All hackney carriage vehicles in the Boston Borough must be installed with a taximeter. The taximeter must be set to display a fare not exceeding the maximum fare rate set by the Council. Proprietors may set a lower rate in the taximeter than the maximum rate set by the Council.

The law relating to the calibration of taximeters was clarified in 1983 by the case of *R v Liverpool City Council, ex p Curzon Limited* (1983). This case indicated that it was lawful for a proprietor to calibrate his taximeter to a lower fare than the maximum fare set by the Council. The Council can advise and encourage but it cannot legally require those proprietors to change their meters from a lower rate to the maximum rate.

It is of benefit to the taxi trade and customers if all taximeters showed the same universal rate. There may be confusion by customers as to what rate they are being charged. However, what is clear is that proprietors may only legally charge the rate that is calibrated within the taximeter. So, if proprietors wish to calibrate to a lower rate, they can only charge that calibrated rate – it is not open for them to charge the maximum fare rate if they have not calibrated the meter to that rate.

Failure to undertake this process correctly will render any decision to vary the maximum fare structure void.

The Council's byelaws and policy require hackney carriage vehicles to display, within the vehicle, the Council's current maximum fare card.

Individuals or organisations requesting a variation of the maximum fare structure do not have a legal right of audience before the Committee.

DATA PROTECTION

None

FINANCIAL

There is a cost for the public notice estimated at £700 and the cost of producing 120 fare cards at an estimated cost of £70. These costs will be met from existing budgets.

RISK MANAGEMENT

There is a theoretical risk of civil action against the Licensing Authority if it is found not to have exercised due diligence in licensing matters. There is also the risk of judicial review or a complaint being made to the Ombudsman if any aggrieved person chose to do so.

STAKEHOLDER / CONSULTATION / TIMESCALES

A consultation was carried out with the taxi proprietors and drivers before this meeting to gauge their reaction to the fare increase proposals.

Following Cabinet meeting and the 7 day call-in the proposed fares will be advertised in the local press and be available to view at the Council's offices for the public to inspect where any representations will be required to be received within 14 days.

REPUTATION

This paper seeks to increase the Council's maximum fare structure. As there is currently a cost of living crisis there may be negative publicity regarding price increases.

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

Equality Implications: There are no equality implications arising from the recommendations of this report.

Human Rights: The licensing authority must ensure that its decisions and policies can withstand scrutiny by reference to the principle of proportionality, i.e. is the decision / action / policy proportionate to what it wishes to achieve, or, colloquially do the ends justify the means.

Safeguarding Implications: There are no safeguarding implications arising from the recommendations of this report.

HEALTH AND WELLBEING: There are no health and wellbeing implications arising from the recommendations of this report.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no climate change and environmental implications arising from the recommendations of this report.

ACRONYMS

BHCA – Boston Hackney Carriage Association

ONS – Office for National Statistics

APPENDICES <i>(If none then insert the word 'None' and delete the below text/boxes).</i> Appendices are listed below and attached to the back of the report: -	
APPENDIX A	Boston Hackney Carriage Association request
APPENDIX B	Copy of current Hackney Carriage Tariff Sheet
APPENDIX C	Hackney carriage fare sheet examples
APPENDIX D	Side by side comparison chart
APPENDIX E	Trade consultation responses

BACKGROUND PAPERS Background papers used in the production of this report are listed below: -	
Document title	Where the document can be viewed
Local Government (Miscellaneous Provisions) Act 1976 (section 65(1))	Licensing Section
Local Authorities (Functions & Responsibilities)(England) Regulations 2000 (as amended)	Licensing Section

CHRONOLOGICAL HISTORY OF THIS REPORT
A report on this item has not been previously considered by a Council

REPORT APPROVAL	
Report author:	Anna McDowell (Senior Licensing Officer) Tel: 01205 314235 Email: anna.mcdowell@boston.gov.uk
Signed off by:	Christian Allen (Assistant Director – Regulation) Tel: 01205 314350 Email: christian.allen@boston.gov.uk

FINANCE PROFORMA

PROFORMA FOR APPROVAL OF THE RELEASE OF RESOURCES

(CAPITAL AND REVENUE BUDGETS)

FROM: Anna McDowell

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED

REPORT: Review of the Maximum Hackney Carriage Fare Structure
REPORT DATE: TBC

OPTION 1	£ Year 1 2020/21	£ Year 2 2021/22	£ Year 3 2022/23	£ Year 4 2023/24	£ Year 5 2024/25
Revenue	0	0	770.00	0	0
Total Revenue Cost			770.00		

Funding required:		Considered by:	Date:
Total capital cost	£0		
Revenue cost	£0	Regulatory & Appeals Committee	07 June 2022

Financial Services Comments

The £770 advertising and administration costs will be met from existing Regulatory Services budgets.

Risk

All risks have been addressed in the report attached, no additional financial risk identified.

Procurement

Expenditure is exempt from Contract Procedure rules, advertising in Public Notices.

Value for Money Efficiency

N/A

This FP is valid for 3 months from FP date	If this FP is no longer required please advise Finance	If there are changes to the original report it may invalidate this document, it must be reviewed by Finance.
22 June 2022		