



REPORT TO:	CABINET
DATE:	04 JULY 2022
SUBJECT:	REVIEW OF MAXIMUM HACKNEY CARRIAGE FARE STRUCTURE
PURPOSE:	To review the proposed increase to the maximum fare structure as recommended by Regulatory & Appeals Committee.
KEY DECISION:	YES
PORTFOLIO HOLDER:	COUNCILLOR PAUL SKINNER
REPORT OF:	SENIOR LICENSING OFFICER
REPORT AUTHOR:	ANNA M'DOWELL
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	NO

SUMMARY

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

On the 07 June 2022 the Regulatory & Appeals Committee considered a report outlining the options to be considered and was requested to make a recommendation to Cabinet.

The Regulatory & Appeals Committee resolved that Option 2, the officer proposed alternative, be recommended to Cabinet. Option 2 is amended to include an additional discretionary fee of 20 pence to be paid for each journey when the cost of diesel exceeds £1.80 with a further 20 pence increase for every respective 10 pence in the cost of diesel thereafter.

Cabinet is asked to consider the recommended option (page 4, para 3.2) and alternative options outlined, and taking into account the responses to the consultation from the trade, is recommended to agree to the preferred officer proposed option, and increase the maximum fares.

RECOMMENDATIONS

Approve a variation to the maximum hackney carriage fares as recommended by Regulatory & Appeals Committee and outlined at option 2. The variation will be subject to the necessary statutory notices being advertised and no objections being received.

REASONS FOR RECOMMENDATIONS

At a meeting of the Regulatory & Appeals Committee on 07 June 2022, the committee, having considered the options and read the submissions from the taxi trade, recommended Option 2 to Cabinet for consideration.

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 on record (Office for National Statistics).

OTHER OPTIONS CONSIDERED

Option 1 - that the fares be increased as proposed by BHCA.

Option 3 - Cabinet can consider an alternative variation to fares, including a decrease. Any alternative fare must be capable of being programmed into a taximeter. Officers would not recommend a decrease in the hackney carriage fares.

Option 4 – make no changes to the maximum fare structure.

REPORT

1. INTRODUCTION

- 1.1 A hackney carriage is a wheeled carriage, capable of carrying 8 or less passengers that is licensed to stand or ply for hire in the area of the licensing authority which granted the licence.
- 1.2 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).

2. HACKNEY CARRIAGE TARIFFS

- 2.1 In the Borough of Boston there are 3 hackney carriage fare tariffs, each used for different types of vehicle and/or times of day. These 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 the following day and on Sundays and statutory bank
holidays
16.00 hours on 24 December and 07.30 hours on 27 December

16.00 hours on 31 December and 07.30 hours on 2 January

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

Tariff 3 Vehicles carrying 5- 8 passengers between:
23.00 hours and 07.30 hours the following day on Sundays and statutory bank holidays,
16.00 hours on 24 December and 07.30 hours on 27 December
16.00 hours on 31 December and 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 – excluding hand luggage, perambulators and wheelchairs.

3. OPTIONS

3.1 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.

3.2 Option 2 – Officer suggested alternative with additional proposals suggested by the Regulatory & Appeals Committee

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 50% increase of tariff 1 and tariff 3 charges being set at 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.

An additional discretionary fee of 20 pence to be paid for each journey when the cost of diesel exceeds £1.80 with a further 20 pence increase for every respective 10 pence increase in the cost of diesel thereafter.

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.

3.3 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. REGULATORY & APPEALS COMMITTEE MEETING

4.1 On 07 June 2022 the Regulatory & Appeals Committee considered the report attached at **APPENDIX 1.**

- 4.2 During the meeting, members asked why BHCA had not asked for an increase in tariff 3. BHCA confirmed that, as they do not have any members who would have cause to use tariff 3 it wasn't a consideration they had taken into account but agreed with the Senior Licensing Officer that an increase in tariff 3 would ensure a fair increase for all.
- 4.3 The committee also explored the option of adding an additional charge to the fare structure to provide additional relief for hackney carriage proprietors in the event that fuel costs continue to increase at the current rate. It was determined that the committee would recommend an additional discretionary fee of 20 pence to be paid for each journey when the cost of diesel exceeds £1.80 with a further 20 pence increase for every respective 10 pence in the cost of diesel thereafter. For example, at the time of writing the Regulatory & Appeals Committee report, the cost of diesel was £1.76 per litre and at the time of writing this report the cost had increased to £1.94 per litre. This would mean that a hackney carriage fare could be increased by a maximum of 40 pence for each journey.
- 4.4 The Regulatory & Appeals Committee resolved that a recommendation be made to Cabinet that the council vary the maximum fare structure in accordance with Option 2 including the pence per additional charge.

5. LEGAL REQUIREMENTS

- 5.1 If Cabinet agree to a variation of the fares a notice must be published in at least one local newspaper, setting out the variation to the fares, specifying the period (not less than 14 days) within which objections must be made and the manner in which they must be made.
- 5.2 A copy of the proposed tariff must also be made available at the Council Offices for the public to inspect, free of charge, at all reasonable hours. Although not a legal requirement, a copy will also be posted on the council website.
- 5.3 If there are no objections, the variation will come into effect at the end of the period specified in the public notice.
- 5.4 If there are objections, the responses must be considered by Cabinet who can, in light of the objections, modify the fares. Where objections are received, whether the fares are modified or not, a further date must be set, within 2 months from the date specified on the public notice, on which the fares will come into effect.

6 CONCLUSION

- 6.1 It is requested the Cabinet consider the proposed options and resolve the hackney carriage maximum fares be varied.
- 6.2 There has been no increase in the maximum fares since April 2018.
- 6.3 It is anticipated that an appropriate increase will maintain a reasonably priced taxi service for members of the public whilst also providing increased income for taxi proprietors and drivers.
- 6.4 Proprietors or drivers who are opposed to the increase can opt to continue to operate using the existing tariff.

6.5 Having regard to the increase in living costs, including increased fuel costs, the increase in the maximum fares proposed by the Senior Licensing Officer as amended by Regulatory & Appeals Committee on 07 June 2022 is recommended. An example of the proposed tariff sheet is attached at **Appendix 2**.

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 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.

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

The proposed increase in fare structure does not give rise to any data protection issues. Personal details of members of BHCA have been redacted from this report.

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

There are no contractual implications in respect of this report.

CRIME AND DISORDER

Boston Borough Council is committed to protecting and promoting the safety of both the hackney carriage and private hire vehicle drivers who operate within the borough, and the residents who use their services.

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

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
APPENDIX 1	Report to Regulatory & Appeals Committee
APPENDIX 2	Example of proposed fare structure

BACKGROUND PAPERS
Regulatory & Appeals Committee Report – 07 June 2022 (as appended)

CHRONOLOGICAL HISTORY OF THIS REPORT	
Name of body	Date
Regulatory & Appeals Committee	07 June 2022

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 – Regulatory Tel: 01205 314350 Email: Christian.allen@boston.gov.uk
Approved for publication:	Councillor P Skinner

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:

Total capital cost £0

Considered by:

Regulatory & Appeals
Committee

Date:

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.
04 July 2022		