



Report To:	Regulatory & Appeals Committee
Date:	10 th June 2026
Subject:	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:	N/A
Portfolio Holder:	Councillor Christopher Mountain, Portfolio Holder for Infrastructure
Report Of:	Christian Allen, Service Director – Regulatory
Report Author:	Anna M ^c Dowell – Senior Licensing Officer
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 August 2022.

Recommendations

The Committee is asked to consider the request made by BHCA and taking into account any responses to the consultation from the trade, is recommended to agree to the proposal and increase the maximum fares to be presented to Cabinet for consideration.

Reasons for Recommendations

- There has been no increase in the maximum fares for hackney carriages since August 2022.
- It is appropriate to review and increase the fares periodically 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.

Other Options Considered

- Agree to the fare structure as applied for by Boston Hackney Carriage Association.
- 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.
- Not approve a fare increase.

1. Background

- 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 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 a 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.
- 1.3 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 they must be considered by Cabinet who can agree, in light of objections, to modify the tariff or agree to implement the original agreement.
- 1.4 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. Report

2.1 Hackney Carriage Maximum Fare Structure

- 2.1.1 In Boston there are 3 hackney carriage tariffs, all with fares for distance, waiting time, and permitted extra charges.
- 2.1.2 A fare for distance is the cost of a journey whilst the vehicle is in motion which 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).

- 2.1.3 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 x-number of yards the waiting time must be £0.20 for x-amount of seconds.
- 2.1.4 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.

2.2 Current hackney carriage tariff terms and charges

- 2.2.1 The three 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 07.30 am and 11 pm.

Tariff 2 Vehicles carrying up to 4 passengers between:
11 pm and 07.30 am and on Sundays and statutory bank holidays
4 pm hours on 24 December until 07.30 am on 27 December
4 pm hours on 31 December until 07.30 am on 2 January

This tariff also applies to vehicles carrying 5 - 8 passengers on any day between 07.30 am and 11 pm.

Tariff 3 Vehicles carrying 5- 8 passengers between:
11 pm and 07.30 am on Sundays and statutory bank holidays,
4 pm on 24 December until 07.30 am on 27 December
4 pm on 31 December until 07.30 am on 2 January.

- 2.2.2 In addition to the above charges, the following extra charges can be applied:

Journeys on Sundays and bank holidays, or from 1600 hours on 24 December to 0730 hours on 27 December, and 1600 hours on 31 December to 0730 hours on 02 January:-

Tariff 2 may be applied for carriage of up to 4 passengers

Tariff 3 may be applied for carriage of between 5 and 8 passengers

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

An additional discretionary fee of 20 pence 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.

Current costs

Tariff 1	
Flag fall including 400 yards	£3.40
Each subsequent 190 yards	£0.20
Waiting time 60 seconds or part of	£0.20
Each subsequent mile (20p per 190 yards)	£1.80
Approximate cost of a 1-mile journey	£4.80
Approximate cost of a 10-mile journey	£21.00
Tariff 2 – 50% increase on tariff 1	
Flag fall including 400 yards	£5.10
Each subsequent 190 yards	£0.30
Waiting time 60 seconds or part of	£0.30
Each subsequent mile (30p per 190 yards)	£2.70
Approximate cost of a 1-mile journey	£7.20
Approximate cost of a 10-mile journey	£31.50
Tariff 3 – 100% increase on tariff 1	
Flag fall including 400 yards	£6.80
Each subsequent 190 yards	£0.40
Waiting time 60 seconds or part of	£0.40
Each subsequent mile (40p per 190 yards)	£3.60
Approximate cost of a 1-mile journey	£9.60
Approximate cost of a 10-mile journey	£42.00
Permitted extra charges	
Parcel packet or prescribed item of luggage*	£0.30
Soiling charge	£100.00
Hirings on Sundays & Statutory Bank Holidays and hirings from 1600 Hrs on 24 December to 0730 Hrs on 27 December and 1600 Hrs on 31 December to 0730 Hrs on 02 January:	
Up to 4 persons occupancy	Tariff 2
5 to 8 persons occupancy	Tariff 3
If the price of diesel per litre (national average) goes above £1.80	£0.20
Each subsequent 10p increase in the price of diesel per litre (national average) above £1.80	£0.20
Booking fee	
A booking fee up to a maximum of £8.00 where (1) the hackney carriage is booked in advance, (2) the customer is told the amount of the booking fee at the time of the booking and (3) the customer has not cancelled the booking at least 15 minutes prior to the hackney carriage's attendance at the agreed pick-up point and time.	

2.3 Proposed tariff increase

- 2.3.1 The BHCA has submitted a request for a tariff increase. The Committee is requested to consider the request and make a recommendation to Cabinet for consideration.

2.3.2 The proposed tariff changes are as follows:

- Increase in the cost for each subsequent 190 yards to 30 pence for tariff 1, 45 pence for tariff 2 and 60 pence for tariff 3.
- Amend the commencement time for the standard tariff 2 to 21.00 hours.
- Amend the commencement time for the Christmas and New Year tariff 2 to 12 noon
- Increase the maximum booking fee from £8.00 to £10.00.
- Increase the initial fuel price surcharge from £0.20 per journey to £1.00.

Journey costing under proposed new tariff

Tariff 1	
Flag fall including 400 yards	£3.40
Each subsequent 190 yards	£0.30
Waiting time 60 seconds or part of	£0.30
Each subsequent mile (30p per 190 yards)	£2.70
Approximate cost of a 1-mile journey	£5.50
Approximate cost of a 10-mile journey	£29.80
Tariff 2 – 50% increase on tariff 1	
Flag fall including 400 yards	£5.10
Each subsequent 190 yards	£0.45
Waiting time 60 seconds or part of	£0.45
Each subsequent mile (45p per 190 yards)	£4.05
Approximate cost of a 1-mile journey	£8.25
Approximate of a 10-mile journey	£44.70
Tariff 3 – 100% increase on tariff 1	
Flag fall including 400 yards	£6.80
Each subsequent 190 yards	£0.60
Waiting time 60 seconds or part of	£0.60
Each subsequent mile (60p per 190 yards)	£5.40
Approximate cost of a 1-mile journey	£11.00
Approximate cost of a 10-mile journey	£59.60
Permitted extra charges	
Parcel packet or prescribed item of luggage*	£0.30
Soiling charge	£100.00
Hirings on Sundays & Statutory Bank Holidays and hirings from 12.00 Hrs on 24 December to 0730 Hrs on 27 December and 12.00 Hrs on 31 December to 0730 Hrs on 02 January:	
Up to 4 persons occupancy	Tariff 2
5 to 8 persons occupancy	Tariff 3
If the price of diesel per litre (national average) goes above £1.80	£1.200
Each subsequent 10p increase in the price of diesel per litre (national average) above £1.80	£0.20
Booking fee	
A booking fee up to a maximum of £10.00 where (1) the hackney carriage is booked in advance, (2) the customer is told the amount of the booking fee at the time of the booking and (3) the customer has not cancelled the booking at least 15 minutes prior to the hackney carriage's attendance at the agreed pick-up point and time.	

2.4 Local benchmarking

2.4.1 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	Feb 25
South Holland	£4.35	£20.55	£5.80	£27.40	£7.25	£34.25	Jul 19
North Kesteven	£4.60	£20.80	£6.90	£31.20	£9.20	£41.60	Apr 25
West Lindsey	£4.40	£22.40	£6.16	£33.16	£8.80	£42.40	
City of Lincoln	£5.80	£26.05	£7.25	£32.45	£9.00	£41.40	
Boston proposed	£5.50	£29.80	£8.25	£44.70	£11.00	£59.60	

2.5 Consultation

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

2.5.2 The consultation opened on 07 May 2026 and concluded on 24 May 2026.

2.5.3 Three responses to the consultation were received as follows:

1. Full support for BHCA proposal.
2. Alternative proposal of £4.80 for the starting rate of Tariff 1 with tariff 2 being £7.20 starting rate with less importance on increasing fuel cost surcharge. Note – Tariff 3 would automatically increase to £9.60 starting rate.
3. Alternative proposal to increase tariff 1 starting rate to £5. Note – Tariffs 2 and 3 would automatically increase to £7.50 and £10 starting rate correspondingly.

Predicted alternative calculations are attached at **APPENDIX 1**.

2.6 Considerations

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

- I. At the time of the last report to committee in June 2022 for a fare increase, the cost of diesel was £1.7633/litre (ONS).
- II. At the time of writing this report the cost of diesel was £1.8814/litre (ONS). The average fuel tank capacity for a saloon car is 60 litres. In June 2022, 60 litres of diesel cost approximately £105.80. By comparison, the cost of the same quantity of diesel at the time of writing this report was approximately £112.85.

- III. In addition to an increase to fuel costs, there have been increases in other running costs, for example insurance premiums, application fees, wage and national insurance costs for those employing staff, and general increases in the cost of living.
- IV. 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.

- 2.6.2 It is lawful for a proprietor to calibrate his taximeter to a lower fare than the maximum fare set by the Council. The Council cannot legally require proprietors to change their meters from a lower rate to the maximum rate. If a tariff increase is implemented, those taxi proprietors who do not wish to recalibrate their meters would be free to continue to operate using the existing tariff.
- 2.6.3 Members also have the option to make alternative changes to the fare structure as they deem appropriate or alternatively, make no changes to the maximum fare structure at this time.

3. Conclusion

- 3.1 It is requested the committee consider the proposed fare increase and make a recommendation to Cabinet.
- 3.2 If an alternative option to that proposed by the BHCA is determined it must be capable of being programmed into a taximeter.
- 3.3 There has been no increase in the maximum fare since August 2022. 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.
- 3.4 Proprietors or drivers who are opposed to the increase can opt to continue to operate using the existing tariff.
- 3.5 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.

Implications

South and East Lincolnshire Councils Partnership

None

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

None

Workforce Capacity Implications

There are no direct implications: 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 constitutional and legal implications are outlined in the body of the report.

Data Protection

None

Financial

There is a cost for the public notice and the cost of producing replacement fare cards. 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.

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

None

Health and Wellbeing

None

Climate Change and Environment Impact Assessment

None

Acronyms

BHCA Boston Hackney carriage Association

Appendices

Appendix 1 Alternative options from consultation responses

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Report Approval

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