

REPORT TO:	GENERAL LICENSING COMMITTEE
DATE:	13 MARCH 2023
SUBJECT:	ANNUAL REVIEW OF THE MAXIMUM HACKNEY CARRIAGE FARE STRUCTURE
PURPOSE:	To undertake the annual review of the maximum hackney carriage fare structure.
REPORT OF:	Assistant Director – Regulatory.
REPORT AUTHOR:	Mr Adrian Twiddy (Principal Licensing Officer)
WARD(S) AFFECTED:	All Wards.
EXEMPT REPORT?	NO

SUMMARY

To undertake the annual review of the maximum hackney carriage (taxi) fare structure. Members may wish to note that the last variation of the hackney carriage fare structure took place in June 2022.

The Council has received separate submissions from the Skegness Taxi Owners Association and the Skegness & District Taxi Drivers Association regarding the fare structure review. The submissions can be found at **Appendices B and C** of this Report.

Officer advice is that the Committee should always be persuaded of the need to vary the fare structure before embarking on such a course of action. In reviewing the fare structure, the Committee should look to ensure customers receive a fair deal whilst ensuring that hackney carriage vehicle drivers are able to make a living working in the trade.

RECOMMENDATIONS

That the Committee consider the annual review of the maximum hackney carriage fare structure and make any amendments to the fare structure that it considers necessary.

Should the Committee decide to make amendments to the fare structure then any amendment will be subject to the necessary statutory notice being advertised and there being no objection from the public or the taxi trade.

REASONS FOR RECOMMENDATIONS

It is this Authority's policy to undertake an annual review of the fare structure with the review normally being programmed to take place in the January to March period.

OTHER OPTIONS CONSIDERED

There are no other options for consideration – it is this Authority's adopted policy to undertake an annual review of the fare structure.

1. BACKGROUND

- 1.1. As the Licensing Authority the Council sets the maximum hackney carriage (taxi) fare structure (for hirings beginning and ending within the District) and it is unlawful to charge a rate above that set by the Authority. Members may wish to note that the Council cannot set a maximum fare structure for private hire vehicles.
- 1.2. Any proposed variation of the hackney carriage fare structure must be advertised by the Council in a local newspaper and a period of time allowed for objections. In addition, the Council must issue all hackney carriage vehicles with a new tariff card (to be displayed in the vehicle) when any change in the structure is enacted.
- 1.3. A copy of the present maximum fare structure is attached to the rear of this Report at **Appendix A**. The last variation of the fare structure was introduced in June 2022.
- 1.4. In June 2022 the Committee authorised the following changes to the fare structure:
 - The daytime flagfall (initial charge) part of the fare structure was amended from £3.40 for the first 800 yards to £4.00 for the first 1000 yards.
 - The fuel surcharge was reworded to come into play when the price of diesel fuel reaches £1.55 a litre and beyond – previously the threshold for its use was £1.40 a litre and beyond.
 - The call out fee was amended from 50p per mile to 75p per mile.
 - The extra passengers charge was amended from 25p for passengers 3 and 4 to 50p for passengers 3 and 4.
- 1.5. A request for a variation of the current fare structure has been received from the Skegness Taxi Owners Association (STOA). The STOA is asking for amendments to be made to the fare structure in relation to:
 - The flagfall (the initial charge made for the hiring of the vehicle) and the fares for distance.
 - The fuel surcharge.
 - The booking fee / call out charge.

A copy of the STOA request is attached at **Appendix B** of this Report. The Skegness & District Taxi Drivers Association (SDTDA) have requested that no variation be made to the

fare structure at this time and instead the fare structure be looked at again in six months' time. The SDTDA letter can be found at **Appendix C** of this Report.

- 1.6. 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. The current national rate of inflation is 8.8%. (January 2023 figure) – the rate in June 2022 was 9%.
- 2.2. Fuel Prices - In June 2022, when the last increase in the hackney carriage fare structure was determined, national diesel prices were around £1.96 per litre and unleaded fuel £1.89 per litre.

The national average fuel price is currently around £1.71 per litre of diesel and £1.49 per litre of unleaded fuel (January 2023 figures).

The national average supermarket price for one litre of diesel is currently £1.68 and unleaded £1.46 (January 2023 figures).

East Midlands Area - Average Fuel Prices:

Month & Year	Cost of one litre of diesel	Cost of one litre of unleaded
June 2022	£1.87	£1.96
January 2023	£1.72	£1.50

- 2.3. Tariff 1 - Daytime (Flagfall): The flagfall is the initial charge made for the hiring of the vehicle. The daytime flagfall at present is £4.00 for the first 1000 yards. The STOA is asking for this to be amended to read as £4.50 for the first 880 yards.
- 2.4. Tariff 1 - Daytime (Fares for Distance): The current Tariff 1 (between 0700 Hrs and 2300 Hours) is 20 pence for each 190 yards (the unit charge) after the flagfall. The STOA is asking for this to be amended to read as 20 pence for each 176 yards. For Members information the following table shows the current Tariff 1 fares (flagfall plus fares for distance) that are currently in force within the East Lindsey District as compared with that requested by the STOA:

Tariff 1 Daytime Rate	2 Miles £	3 Miles £	4 Miles £	Last Fare Increase
Present ELDC	6.80	8.60	10.40	June 2022
Requested STOA	7.50	9.50	11.50	

The national average for a 2-mile fare is £6.95 (February 2023 figures) compared with a current rate of £6.80 in the East Lindsey District – the rate requested by the STOA will result in a £7.50 fare at the two-mile mark. The Lincolnshire average fare at the 2-mile mark is current £6.70 (February 2023 figure).

- 2.5. Tariffs 2 and 3 (Fares For Distance) – Under the current fare structure the Tariff 2 (2300 to 0700 Hours) and Tariff 3 (Christmas and New Year) fares are a 50% increase in the Tariff 1 and a 100% increase in the Tariff 1 respectively. The STOA is asking that this remain the same.
- 2.6. Fuel Surcharge – In 2008 the Committee considered ways to combat any rapid increase in fuel prices. To this end, the Committee adopted the use of a fuel surcharge within the maximum fare structure. The fuel surcharge to be added to a journey, when fuel prices hit a predetermined level – the purpose of the surcharge was to assist taxi proprietors in meeting any rapid increase in fuel prices without the Licensing Committee having to undertake an urgent review.
- 2.7. The flat rate surcharge is currently 25p. This will be added to the fare structure for each incremental increase in fuel prices of 10 pence per litre, when diesel reaches £1.55 a litre and beyond. The advantage of this system is that taxi fares can react to increases and decreases in fuel costs instantly. Of course, the present cost of a litre of diesel fuel is well above £1.55 and so the current flat rate surcharge of 25p (for each 10 pence increase in fuel price) has come into play.
- 2.8. The STOA wishes the fuel surcharge to be reworded to come into play when diesel fuel reaches £1.75 a litre and beyond. It is assumed by Officers that this request from the STOA is dependent on the Committee agreeing to the requested amendment of the flagfall part of the current fare structure.
- 2.9. Waiting Time: The waiting time aspect of the fare structure comes into play when the hired vehicle is stationary or moving at a negligible speed (e.g., in slow moving traffic). The current day rate waiting time is 20p for each period of 45 seconds. This equates to an hourly rate of £16.00. The STOA is asking that this remain the same.
- 2.10. Extra Charges – Additional Persons: The current fare structure allows a flat rate charge for each person in excess of two. The current charge is worded: For each person in excess of two – 50p. The STOA is asking that this remains the same.
- 2.11. Extra Charges – Booking Fee / Call Out Charge: The current fare structure allows a call out charge of 75p per mile – the wording is as follows:

For each mile, or uncompleted part thereof, travelled by the carriage to a hirer “pick up” point at a stated place other than a hackney carriage stand or the proprietor’s normal base of operation. The customer must be told the amount of the booking fee at the time of booking.

The STOA wishes the mileage rate on the call out charge to be increased from 75p to £1.00 per mile. In 2022 this Authority increased the call out charge from 50p to 75p per mile – at that time the Committee declined a request from the STOA for an increase to £1.00 per mile.

- 2.12. Sunday: The current fare structure does not treat Sunday as different to any other day of the week. The STOA wishes the daytime tariff for Sunday to be a 50% increase on the Tariff 1 rate. Historically East Lindsey has been an Authority that does not permit an additional daytime charge on a Sunday. The STOA has made similar requests in relation to Sunday on previous fare reviews. In the past the Committee has not supported the request for a Sunday rate and have declined to treat Sunday as any different to the rest of the week. Some Lincolnshire Authorities do currently allow Sunday to be charged at a higher rate.

3. CONCLUSION

- 3.1. All parties to this fare review will be naturally concerned for the welfare and economic wellbeing of those employed within the taxi trade. This will particularly be the case during this difficult economic time of raising inflation and high fuel prices. However, the Committee should always be persuaded of the need to vary the fare structure before embarking on such a course of action. In reviewing the fare structure, the Committee should look to ensure customers receive a fair deal whilst ensuring that hackney carriage vehicle drivers are able to make a living working in the trade.

EXPECTED BENEFITS TO THE PARTNERSHIP

Not Applicable – This is a General Licensing Committee Report.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

There are no SELCP implications.

CORPORATE PRIORITIES

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

STAFFING

The processing of this fare review is being undertaken as part of the normal duties carried out by the Licensing Team and so there are no staffing implications.

CONSTITUTIONAL AND LEGAL IMPLICATIONS

1. 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 Committee 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 Committee.

2. 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.
3. 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.
4. In theory the Committee can decrease the maximum fare structure (or remove sections of the fare structure) if it is minded to do so.
5. All hackney carriage vehicles in the East Lindsey District 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. Therefore, proprietors may set a lower rate in the taximeter than the maximum rate set by the Council.
6. 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.
7. 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 to that rate.
8. The Council's byelaws require hackney carriage vehicles to display, within the vehicle, the Council's current maximum fare card. Even if the taximeter is calibrated to a lower rate, the current maximum fare card must be displayed.
9. Individuals or organisations requesting a variation of the maximum fare structure do not have a legal right of audience before the Committee.

DATA PROTECTION

There are no data protection implications arising from the recommendations of this Report.

FINANCIAL

1. This fare review is being undertaken as part of the normal duties carried out by the Licensing Team with no additional costs involved.
2. Any proposed variation of the fare structure must be advertised in a local newspaper and a minimum period of 14 days allowed for the submission of objections. In addition, the Council must issue in the region of 130 new laminated tariff cards to all hackney carriage vehicles when any change in the structure is enacted.
3. There is a risk of judicial review against the Council or complaint to the Ombudsman if the Authority is found not to have exercised due diligence in the setting of hackney carriage fares

RISK MANAGEMENT

There is a theoretical risk of civil action against the Council if they are found not to have exercised due diligence in licensing matters.

STAKEHOLDER / CONSULTATION / TIMESCALES

Any proposed variation of the hackney carriage fare structure must be advertised and a period of time allowed for objections.

REPUTATION

There is a risk that the Council's reputation could be damaged if licensing legislation and guidance are not upheld and applied appropriately.

CONTRACTS

Not Applicable – This is a General Licensing Committee Report.

CRIME AND DISORDER

There are no crime and disorder implications arising from the recommendations of this Report.

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 does the end justify the means.

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

HEALTH AND WELL BEING

Not Applicable – This is a General Licensing Committee Report.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Not Applicable – This is a General Licensing Committee Report.

ACRONYMS

STOA – Skegness Taxi Owners Association

SDTD – Skegness & District Taxi Drivers Association

APPENDICES	
Appendices are listed below and attached to the back of the report:	
APPENDIX A	Copy of the Current Maximum Hackney Carriage Fare Structure.
APPENDIX B	Request for a Review of the Maximum Hackney Carriage Fare Structure from STOA.
APPENDIX C	Submission by the SDTD.

BACKGROUND PAPERS

The National Hackney Fare Table – PHTM: <https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>

AA Fuel Price Report: <https://www.theaa.com/driving-advice/driving-costs/fuel-prices>

CHRONOLOGICAL HISTORY OF THIS REPORT

This 2023 annual fare review has not been previously considered by a Council body.

REPORT APPROVAL

Report author:

Mr Adrian Twiddy (Principal Licensing Officer)

Tel. No. 01507 601111

Email: adrian.twiddy@e-lindsey.gov.uk

Signed off by:

Mr Christian Allen (Assistant Director – Regulatory)

Tel. No. 01205 314200

Email: Christian.Allen@boston.gov.uk