



Report To:	General Licensing Committee
Date:	27 January 2025
Subject:	Annual Review of the Maximum Hackney Carriage Fare Structure.
Purpose:	To undertake the annual review of the maximum hackney carriage fare structure.
Key Decision:	Not Applicable.
Report Of:	Donna Hall - Group Manager Public Protection.
Report Author:	Adrian Twiddy – Ast. 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 October 2023. The Committee looked at the fare structure again in September 2024 and decided to adjourn any further review until the beginning of 2025.

The Council has received separate submissions from the Skegness Taxi Owners Association (STOA) and the Skegness & District Taxi Drivers Association (SDTDA) regarding the fare structure review. The submissions can be found at **Appendix 2** of this Report.

Both associations are asking for the daytime flagfall to increase from £4.00 to £5.00. In addition, the STOA are asking for the booking fee / call out charge to be increased from 75p for each mile to £1.00 for each mile.

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 1**. The last variation of the fare structure was introduced in October 2023. The Committee looked at the fare structure again in September 2024 and decided to adjourn any further review until the beginning of 2025.
- 1.4 The following changes were made to the fare structure in October 2023:
 1. The daytime flagfall (initial charge) part of the fare structure was changed from £4.00 for the first 1000 yards to £4.00 for the first 880 yards.
 2. The daytime (Tariff 1) fares for distance were changed from 20 pence for each 190 yards after the flagfall to 20 pence for each 176 yards after the flagfall.
- 1.5 Requests for a variation of the current fare structure have been received from the Skegness Taxi Owners Association (STOA) and the Skegness & District Taxi Drivers

Association (SDTDA). Both associations are asking for the daytime flagfall to increase from £4.00 to £5.00. In addition, the STOA are asking for the booking fee / call out charge to be increased from 75p for each mile to £1.00 for each mile.

- 1.6 The submissions, from both Associations, can be found at **Appendix 2** of this Report.
- 1.7 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.
- 1.8 **PLEASE NOTE:** This Authority's previous Fare Review Reports used the online AA Fuel Price Report in order to determine the level of national and local fuel prices. At the time of the drafting of this Report the AA webpage had temporarily ceased issuing such detailed fuel reports – the last available report related to March 2024.
- 1.9 This Report has used the Weekly Road Fuel Prices Report available on the GOV.UK website – which issues a weekly report on national fuel prices rather than a monthly report on regional prices.

2. Report

- 2.1 The national rate of inflation is currently 3.5% (November 2024 figure), In September 2023, when the last increase in the hackney carriage fare structure was determined, the rate of inflation was 6.3%.
- 2.2 Fuel Prices - In September 2023, when the last increase in the hackney carriage fare structure was determined, national diesel prices were around £1.59 per litre and unleaded fuel £1.55 per litre. Fuel prices have now fallen to lower levels – see the table below:

Month & Year	Cost of One Litre of Unleaded	Cost of One Litre of Diesel
September 2023	£1.55	£1.59
January 2025*	£1.36	£1.43

*Average UK Pump Prices on 13 January 2025

- 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 880 yards. Both the STOA and the SDTDA are asking for this to be amended to read as £5.00 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 176 yards (the unit charge) after the flagfall. Both Associations are not asking for any increase in this charge.

- 2.5 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 and the SDTDA:

Tariff 1 Daytime Rate	2 Miles £	3 Miles £	4 Miles £	Last Fare Increase
Present ELDC	£7.00	£9.00	£11.00	October 2023
Requested STOA & SDTDA*	£8.00	£10.00	£12.00	

**The request by both Associations would result in a £1.00 increase on all day-time fares.*

- 2.6 The national average for a 2-mile fare is £7.25 (January 2025 figure) compared with a current rate of £7.00 in the East Lindsey District – the rate requested by the STOA & the SDTDA will result in a £8.00 fare at the two-mile mark. The Lincolnshire average fare at the 2-mile mark is currently £6.75 (January 2025 figure). The highest 2-mile fare in Lincolnshire is currently the City of Lincoln Council with £8.30.
- 2.7 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. Both Associations are asking that this remains the same.
- 2.8 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.
- 2.9 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.
- 2.10 Both Associations have not submitted a request for a variation / change in the fuel surcharge.
- 2.11 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. Both Associations are asking that this remains the same.
- 2.12 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. There has been no request for any variation in this part of the fare structure from the two associations.

2.13 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.

2.14 The STOA wish 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.

2.15 Sunday: The current fare structure does not treat Sunday as different to any other day of the week. Some Lincolnshire Authorities do currently allow Sunday to be charged at a higher rate. Both Associations have not asked for any change in this Authority’s Sunday situation.

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. However, the Committee should always be persuaded of the need to vary the fare structure before embarking on such a course of action.

3.2. 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.

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 District’s residents and visitors whilst at the same time looking to maintain the economic wellbeing of the taxi trade.

Staffing

None.

Workforce Capacity Implications

None.

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 (see Section 10 below). 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.
10. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 requires that any proposed variation of the hackney carriage fare structure must be advertised, and a minimum period of 14 days must be allowed for the submission of any objections. If an objection(s) is received then the objection must be considered before the expiration of a two-month period after the closing date for objections.

Data Protection

None.

Financial

None.

Risk Management

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.

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

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

Equality & Diversity: None.

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: None.

Health and Wellbeing

None.

Climate Change and Environmental Implications

None.

Acronyms

STOA – Skegness Taxi Owners Association

SDTDA – Skegness & District Taxi Drivers Association

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1

Copy of the Current Maximum Hackney Carriage Fare Structure.

Appendix 2

Requests for a Review of the Maximum Hackney Carriage Fare Structure from the STOA & the SDTDA.

Background Papers

Background papers used in the production of this report are listed below: -

Document title**Where the document can be viewed.**

The National Hackney Fare Table – PHTM:

<https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>

GOV.UK - Weekly Road Fuel Prices

<https://www.gov.uk/government/statistics/weekly-road-fuel-prices>

Inflation and Price Indices – Office for National Statistics:

<https://www.ons.gov.uk/economy/inflationandpriceindices>

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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Approved for publication: Not Required.

Checklist – Complete before submission to Democratic Services

S151 Officer consulted on financial implications:	N/A
Monitoring Officer consulted on legal and constitutional implications:	N/A
Portfolio Holder consulted:	N/A
Ward Member consulted:	N/A