



Regulatory Committee

Thursday 10th March 2022

Subject: Request from taxi trade for an increase in hackney carriage fares

Report by:	Andy Gray Housing and Environmental Enforcement Manager andy.gray@west-lindsey.gov.uk
Contact Officer:	Tracy Gavins Licensing Enforcement Officer tracy.gavins@west-lindsey.gov.uk
Purpose / Summary:	Requests have been received from hackney carriage proprietors for an increase to the hackney carriage scale of fares they can charge to their customers.

Recommendations:

Regulatory Committee are asked to:

- a) Approve the renaming of tariffs
- b) Determine whether the current scale of fares should be increased (considering the request from the taxi proprietors)
- c) Determine by what amount fares should increase, subject to approval of an increase.

Implications

Legal:

Under the provisions of the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976 the District Council is the Authority responsible for licensing hackney carriages and private hire vehicles.

The Council is also obliged to advertise any increase by publication of the required statutory notice and reconsider if any objections are received.

Financial: FIN/184/22/MT/SL

The cost of publishing the public notice (referred to above) can be met from existing budgets.

For the avoidance of doubt the subject matter within this paper has no direct link to the fees and charges WLDC apply to any type of taxi application e.g. drivers, vehicles or operators. The fees considered are the fees that the licensed taxi driver can charge their passengers.

Staffing:

No additional resources required as a result of this report.

Equality and Diversity including Human Rights:

The increase of any fares will have an impact on various groups, given the nature of the service that is provided.

An increase will provide operators with additional income to contribute towards covering additional costs that may have been incurred over the years since the last increase.

An increase may also adversely affect service users who are on low income or who are dependent on the service to gain access to employment, education, shopping and facilities or other support services.

Risk Assessment:

Not applicable.

Climate Related Risks and Opportunities:

None as a result of this report.

Title and location of any background papers used in the preparation of this report:

Email responses received by the Licensing Team from hackney carriage proprietors are held within the work area but are not shared specifically within the report.

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1 Introduction

- 1.1 Under the provisions of the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976 the District Council is the Authority responsible for licensing hackney carriages and private hire vehicles. The council also sets a scale of fares which is the maximum amount that can be charged by hackney carriage proprietors. The Council cannot, however, control fares for private hire vehicles.
- 1.2 The Council currently licenses 55 hackney carriages, 26 private hire vehicles and 103 drivers in the District. In the last 10 years there have been two increases in the scale of fares that WLDC taxi proprietors charge their customers, the last one being in 2017.
- 1.3 As a result of a hackney carriage proprietor contacting the licensing team to request a fare increase, officers contacted all West Lindsey licensed hackney carriage drivers to seek their views. As there is no hackney association in West Lindsey each proprietor was contacted individually for their views as to whether they felt there is a need for an increase in fares.
- 1.4 Out of 43 proprietors consulted, 14 are in favour of an increase suggesting various options and 7 are not in favour of an increase. The tariffs were last reviewed and increased in 2017 and before that in 2011.

2 Scale of fares

- 2.1 The Council's current scale of fares is attached as Appendix 1.
- 2.2 Hackney carriage drivers and proprietors refer to the tariffs as '1', '2' and '3'. Therefore, it is suggested that the names are changed to reflect this. If agreed by Members, 'normal rate' would become tariff 1, 'premium rate 1' would become tariff 2 and 'premium rate 2' would become tariff 3. The main reason for this change is to align the wording with how licensed taxi drivers refer to the tariffs.

Comparative tariffs	Fare for 1 mile on normal rate	Fare for 5 miles on normal rate	Fare for 20 miles on normal rate	%age Increase
Present Start Rate = £2.80				
Present rate once started (inc. Start Rate @ £1.60 pm	£4.40	£12.40	£42.40	
Suggested Changes from consultation with the trade				
No change (7)				0%
Start rate £3 + 10p per 88 yards	£4.30	£12.30	£42.30	-2%
Start rate £3 (2)	£4.60	£12.60	£42.60	5%
Start rate £3.10	£4.70	£12.70	£42.70	7%
Start rate £3.20	£4.80	£12.80	£42.80	9%
Start rate £3 + 50p increments (3)	£5.00	£15.00	£52.50	14%
15% increase on all fares	£5.06	£14.26	£48.76	15%

£2.50 per mile increments	£5.30	£15.30	£52.80	20%
Start rate £3 + £2.50 per mile	£5.50	£15.50	£53.00	25%
Start rate £4 (3)	£5.60	£13.60	£43.60	27%
Start rate £3.60 + £3 per mile	£6.60	£18.60	£63.60	50%

2.3 The suggested changes to the current scale of fares are listed below. These have been made as part of the consultation. Each proposal is noted individually, with duplicates noted in brackets. Below are examples of the cost to the customer for various journeys, based on the suggested increase in tariff at the normal rate:

2.4 Below are examples of the cost to the customer for various journeys, based on the suggested increase in tariff in relation to Premium Rate 1:

Comparative tariffs	Fare for 1 mile on Premium Rate 1	Fare for 5 miles on Premium Rate 1	Fare for 20 miles on Premium Rate 1	%age Increase
Present Start Rate = £4				
Present rate once started (inc. Start Rate @ £2.40pm)	£6.40	£18.40	£63.40	
Suggested Changes from consultation with the trade				
No change (7)				0%
Start rate £4.20	£6.60	£18.60	£63.60	3%
Increased increments by 10p (2)	£6.80	£20.80	£73.30	6%
15% increase on all fares	£7.36	£21.16	£72.91	15%
Start rate £5	£7.40	£19.40	£64.40	16%
Start rate £6 (2)	£8.40	£20.40	£65.40	31%

2.5 **N.B. PREMIUM RATE 2** – Although there has been a couple of suggestions to increase the start rate of this tariff, Members should be aware that Premium Rate 2 is always double that of the tariff set for the Normal Rate.

3 Procedure

3.1 Any proposed change in hackney carriage fares must be advertised in the press for a 28 day period. If any objections are received these must be considered by the Council. If no objections are received the new fare structure comes into effect from the date specified in the public notice. The public notice would be placed at the earliest opportunity following on from any decision and on this basis would be likely to be published on or around the first week of April 2022.

3.2 The Council's Regulatory Committee must approve any fare increase and officers cannot make a specific recommendation as to what that increase should be.

4 Conclusion

- 4.1 Since 2017, operating costs such as vehicle insurance, fuel prices and staffing have increased, which has direct impact on the business. The consultation has not provided unanimous support for an increase, however around 66% of the respondents do support this.
- 4.2 Between January 2017 and February 2022 the average price of diesel has risen from 120.34 pence per litre to 152.58ppl and in the same period the average price of unleaded petrol has risen from 117.77ppl to 149.12ppl (source: <https://www.racfoundation.org/data/uk-pump-prices-over-time>)
- 4.3 Alongside this, for the consumer, the rate of inflation increased to 5.5% in January 2022, the highest reading since 1992. This figure for inflation in 2017 was 2.68%.
- 4.4 During the Covid-19 pandemic of 2020/2021 the trade were not eligible for any main grants, nor offered any help by way of discretionary grants from the council, some may have been able to claim from the self-employment income support scheme. When taking all these factors into account it would seem, therefore, that a small rise in fare could be justified at the present time.

END

Appendix 1 – West Lindsey District Council current scale of fares.

LICENSED HACKNEY CARRIAGE NO.	NORMAL RATE Mileage	PREMIUM RATES
	If the distance does not exceed 704 yards (approximately 643.7 metres) £ 2.80	1. For hirings starting between 11.00 pm and 7.00am on any day and at any time on Bank Holidays and any immediately preceding Sunday and on Christmas Eve and New Years Eve until 6.00pm
	If the distance exceeds 704 yards – for the first 704 yards £ 2.80	– for the first 704 yards (643.7 metres) .. £
MAXIMUM	For each subsequent 352 yards (approximately 321.85 metres) or uncompleted part thereof £ 0.40	4.00 – for each subsequent 352 yards (321.85 metres)..... £ 0.60
PASSENGERS	Waiting time or Working time (when vehicle is stationary) For each minute or uncompleted part thereof £ 0.30	Waiting time – for each minute or uncompleted part thereof £ 0.40
	EXTRA CHARGES For each domestic animal (carried at driver's discretion) £ 1.50	2. For hiring starting between 6.00pm 24 th December to 8.00am 27 th December and starting between 6.00pm 31 st December to 7.00am 2nd January
	Soiling of vehicle by domestic animal or customer, a charge not exceeding £75.00	– for the first 704 yards (643.7 metres) ... £
	During periods of extreme / severe weather, and only on receiving written permission from the Local Authority to do so, Premium Rate 1 be applied.	5.60 – for each subsequent 352 yards (321.85 metres) £ 0.80
		Waiting time – for each minute or uncompleted part thereof £
		0.60