



Regulatory Committee

Thursday 15th September 2022

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

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Purpose / Summary:	Requests have been received from hackney carriage proprietors for an increase to the incremental element of the hackney carriage fares.

Recommendation(s):

Regulatory Committee are asked to:

- a) Determine whether the incremental rate within the current taxi fare tariffs should be increased.
- b) Determine by what amount fares should increase, subject to approval of an increase (a).

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/71/23/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.

Regulatory Committee March 2022: Taxi Fare Increase information can be found here <https://democracy.west-lindsey.gov.uk/ieListDocuments.aspx?CId=262&MId=2909&Ver=4>

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 56 hackney carriages, 24 private hire vehicles and 93 drivers in the District. In the last 10 years there have been three increases in the scale of fares that WLDC taxi proprietors charge their customers, the last one being in March 2022.
- 1.3 The request for this additional increase in fares related specifically to the incremental rate within the tariffs. In March, Regulatory Committee agreed to increase the standing rate (the rate charged once at the start of a journey) by 10% across all tariffs. The additional request to review the incremental rate has come specifically from a licensed driver that completed longer journeys, which occur less, therefore does not benefit in the same manner from the change to the standing rate. The information submitted by the person requesting the fare review is in appendix 1.

2 Consultation

- 2.1 Out of the 44 proprietors consulted, there have been 16 responses (36%). 37.5% say yes to an increase, 43.8% say no to an increase, 18.8% are unsure. 6 persons responded to the amount of increase required, 50% of these wanted a 10p and 50% wanted more than a 10p in increase. Other than the options given, two responses suggested 20p or 25p as the increase. The full response to the consultation is shown in appendix 2.
- 2.2 The request for the fare review shown in appendix 1, was also supported by 14 licensed drivers. Some of these drivers have not completed the subsequent survey that was distributed.

3 Scale of Fares

- 3.1 The existing taxi fares following on from the March 2022 increase can be found here <https://www.west-lindsey.gov.uk/sites/default/files/2022-05/20Customer%20Fare%20Rates%20%28effective%20May%202022%29.pdf>
- 3.2 The survey specifically asked respondents to provide a view on increasing the incremental tariff. This has resulted in 4 options being available;
 - a) Add 5p per mile to the incremental rate across all three tariffs.
 - b) Add 10p per mile the to the incremental rate across all three tariffs.
 - c) Do not increase the incremental rate across all three tariffs.
 - d) Or any other option that Members believe appropriate.
- 3.3 An additional 5p per mile would add circa 10% to tariff 1 and circa 8% to tariffs 2 and 3.

- 3.4 An additional 10p per mile would add circa 25% to tariff 1 and 16% to tariffs 2 and 3.

4 Procedure

- 4.1 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 October 2022.
- 4.2 The Council's Regulatory Committee must approve any fare increase and officers cannot make a specific recommendation as to what that increase should be.

5 Conclusion

- 5.1 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 a further increase, however it has highlighted how the change to the standing rate has not benefitted all operators.
- 5.2 Between January 2017 and August 2022 the average price of diesel has risen from 120.34 pence per litre to 177.46ppl and in the same period the average price of unleaded petrol has risen from 117.77ppl to 188.23ppl (source: <https://www.racfoundation.org/data/uk-pump-prices-over-time>)
- 5.3 Alongside this, for the consumer, the rate of inflation increased to 9.4% in July 2022, the highest reading since 1992. This figure for inflation in 2017 was 2.68%.
- 5.4 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.
- 5.5 Members of the Regulatory are asked to consider the request made and determine whether to grant and increase and if so, the level of increase.

END

