



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

SLT	5 October 2021
Licensing Committee	2 November 2021
Executive	17 November 2021

Wards affected: [all wards]

Trade Request for Fare Tariff Increase

Report of Director of Environment & Planning

1. Purpose of report

- 1.1 To consider a request by the Hinckley Area Taxi Association for an increase in the table of fares for hackney carriages.
- 1.2 The decision on whether to increase the maximum fare level is an Executive function and the Licensing Committee are therefore being asked to consider the request and provide their views on whether the maximum fare level should be increased.

2. Recommendation

- 2.1 That the Committee consider the request and provide their view on whether an increase to the maximum fare level is appropriate.

3. Background to the report

- 3.1 Hinckley and Bosworth Borough Council has received an application from the Hinckley Area Taxi Association for an increase in the table of fares. The Council approved the current fare tariff in 2011, with a further tariff increase request from the trade being refused in 2013. The association has drawn attention in its application to the increase in running costs, the rising price of fuel, the increase in the cost of new vehicles and insurance premiums.

- 3.2 The letter and proposal from Hinckley Taxi Association is shown at Appendix A, this shows the current and proposed fare structures and detail of how the tariffs are calculated. For ease of use the tables show the cost per mile for tariff 1 and 2 and how our fares compare with other local authorities.
- 3.3 Prior to the consideration of this proposal Hinckley & Bosworth Borough Council was placed 253 out of 362 councils nationally in the table of fares published by Private Hire & Taxi monthly July 2021. A representative from Hinckley Taxi Association will attend the meeting to answer questions.

The Power of the Authority to Set Fares

- 3.4 Local licensing authorities have the power to set taxi fares and most do so. (There is no power to set Private Hire Vehicle fares.) It is seen as good practice to review the fare scales at regular intervals, including any graduation of the fare scale by time of day or day of the week. The Department for Transport suggests that in doing so local licensing authorities should pay particular heed to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand.
- 3.5 Taxi fares are a maximum, and in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at rank, or for on-street hailing's; there would be risks of confusion and security problems. But local licensing authorities can usefully make it clear that published fares are a maximum, especially in the context of telephone bookings, where the customer benefits from competition.
- 3.6 Hackney carriages have taximeters fitted that are calibrated and sealed. It is not a requirement for private hire vehicles to have meters, although many proprietors choose to install them. There are a number of makes and models of taximeters in use but they must all comply with the Measuring Instruments (Taximeters) Regulations 2006. Whilst meters will vary in sophistication, all are designed to calculate fares by measuring distance and time and will display the incrementally increasing charge as the journey continues and will exhibit the total amount to be paid when the destination is reached.
- 3.8 Taxi fare regulation provides certainty and is intended to protect consumers from overcharging whilst still allowing flexibility for discounting. The Office of Fair Trading has declared that competition should remain on fares and have issued guidance that warns against the formation of cartels.
- 3.9 As already stated, all hackney carriages have taximeters and the fares calculated on those meters cannot be in excess of the council's maximum rate. However, modern taximeters are capable of accepting a number of different rates and indeed many councils will approve more than one 'tier' on its maximum tariff, typically allowing enhanced payments for journeys taken late at night or on Sundays or public holidays.

Case Law

An important case in this connection is *R v Liverpool City Council, ex parte Curzon Ltd* that established two principles:

1. That it was lawful for a hackney carriage driver to charge less than the fare shown on the meter; and
2. That a proprietor of a hackney carriage could calibrate his taximeter in such a way as to offer a universal discount on the council's maximum tariff.

Scale of Fees

3.10 The basic methods by which the scales may be varied are:

- vary charge for initial drop
- vary charge for subsequent yardages
- vary distance travelled for initial drop, subsequent yardage or both
- vary the 'extra charges'

3.11 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that a district council may fix the rates or fares within the district both for time and distance, (along with all other charges in connection with the hire of a hackney carriage) and sets out the process. The fee setting process can be lengthy (from the date the Council agree a new tariff to the date vehicle meters are updated and the new tariff comes into force) due to the need to advertise any variations to the scale and consider any objections but it does give the public the opportunity to comment. There is also a cost involved in the advertising of the changes.

3.12 Once the fares have been set, the meter should be set to the approved rate and it is an offence to charge more than the fare shown on the meter (plus any legitimate extras) although section 54 of the 1847 Town Police Clauses Act allows agreement to be made, in advance of the hiring of a hackney carriage, that a sum less than that shown at the end of the hiring will be paid. Once such an agreement has been made it is an offence for the proprietor or driver to demand more than was agreed in advance, and such an agreement cannot provide for payment of a fare higher than would be shown on the meter (except as detailed in the following paragraph).

3.13 When the journey is to end outside the council's area, section 66 of the 1976 Act prohibits a driver demanding a fare greater than that shown on the meter unless such agreement has been made in advance.

3.14 The taxi trade's proposal equates to a 20 percent increase on the running mile for proposed Tariff 1 from £ 2.00 to £ 2.40 and Tariff 2 from £ 3.00 to £ 3.60 and 30 percent increase for proposal 2, Tariff 1 from £ 2.00 to £ 2.60 and Tariff 2 from £ 3.00 to £ 3.90. The first proposal seems the most reasonable.

The Criteria for Setting Fares

- 3.15 As stated in 3.11, Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 allows the council to set the maximum costs and fares that drivers may charge the public for journeys taken in a taxi. In this context “the Council” means the Executive by virtue of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended).
- 3.16 So far as local authorities who do set fares are concerned, there are a number of different practices. These include:
- review on application
 - assessment purely on basis of application
 - assessment by reference to inflation

Outside London, the standard process in many areas for setting fares is for the trade to put forward a proposal to the council and this is either approved or rejected.

- 3.17 If the Council are minded to grant this increase in the fare structure then it will be necessary to set an implementation date and the proposal will have to be advertised in a local newspaper. Should any objections be received then the council must consider them at a future meeting.
- 3.18 The setting of hackney carriage fare fees needs to be conducted in accordance with legislative provisions. If it can be shown that this has not been followed then the Council may be potentially at risk of judicial review by anybody affected by those decisions.

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 The report is to be taken in open session.

5. Financial implications [MT]

- 5.1 There are no financial implications arising for the Council from the above proposal.

6. Legal implications [MR]

- 6.1 Contained within the body of the report.

7. Corporate Plan implications

- 7.1 A well regulated and enforced taxi service provides reassurance to the public and will contribute to protect people from harm under the People priority. A taxi fleet which is adequately rewarded provides a good level of service for residents and local business assisting economic growth by providing new jobs in the borough supporting the Prosperity priority.

8. Consultation

- 8.1 If new table of fares is approved the table must be published in a local newspaper giving at least 14 days for objections to be received. If objection is duly made and is not withdrawn, the council shall set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.

9. Risk implications

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Reputation from negative press coverage from enforcement	Ensure enforcement carried out competently and proportionately and in accordance with enforcement policy.	Mark Brymer
Economy/Community. (Impact of fare increase may have a detrimental effect to the publics use)	The Committee to determine the correct course of action at this time	Mark Brymer

10. Knowing your community – equality and rural implications

- 10.1 Taxis provide an increasingly important transport option for disabled people. Increases in fares will affect those sections of the community where such transport costs are a significant percentage of their income. Where public transport is not provided or regular, taxis may be the only public transport option for residents in the more remote villages. This can be a significant additional cost for living in rural locations

11. Climate implications

- 11.1 There will be no additional climate implications as a result of this decision.

12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
 - Environmental implications
 - ICT implications
 - Asset management implications
 - Procurement implications
 - Human resources implications
 - Planning implications
 - Data protection implications
 - Voluntary sector
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Background papers:

The Local Government (Miscellaneous Provisions) Act 1976

The 1847 Town Police Clauses Act

Application from the Hinckley Area Taxi Association for increase in fare tariff

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