



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Executive 11 September 2024

Wards affected: All wards

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### Trade Request for Fare Tariff Increase

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#### 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.

##### 2. Recommendation

2.1 Executive

- (i) Members are recommended to approve taxi trade proposal 2.
- (ii) That any objections received, following the consultation to be referred to a future meeting for discussion.
- (iii) The Licensing Officer be authorised to take the necessary steps to implement the revised tariff change.
- (iv) The taxi trade be promoted and supported at events such as job fairs.

##### 3. Background to the report

3.1 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).

3.2 There are three main practices for setting fares, these are:

- review on application
- assessment purely on basis of application
- assessment by reference to inflation

Outside of London the standard process is for the trade to put forward a proposal to the council and this is either approved or rejected.

3.3 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 2022. The association has drawn attention in its application to the increase in running costs, the rising price of fuel, car maintenance and the cost of new vehicles and insurance premiums.

3.4 The letter and proposal from Hinckley Taxi Association is shown at Appendix A. The application 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 (normal time), tariff 2 (time and a half) and tariff 3 (double time).

3.5 The implementation date will be decided once Executive agree in principle to the request to increase the fare structure. At that point 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.

3.6 Hinckley & Bosworth Borough Council is placed 266 out of 364 in the national table of fares published by National Taxi & Private Hire Association.

**Table A Local Authority Comparison Table**

<b>League Position</b>	<b>Local Authority</b>	<b>Tariff 1 2-mile fare</b>	<b>Last Increase</b>
143	Nuneaton & Bedworth Borough Council	£ 7.25	2023
170	Harborough District Council	£ 7.09	2022
266	Melton Borough Council	£ 6.40	2021
60	Coventry City Council	£ 8.00	2022
157	West Northants District Council	£ 7.20	2022
222	Charnwood Borough Council	£ 6.75	2022
97	Leicester City	£ 7.60	2024
168	Rugby Borough Council	£ 7.10	2022
266	Hinckley & Bosworth Borough Council	£ 6.40	2022
303	North West Leicestershire District Council	£ 6.00	2022
227	Blaby District Council	£ 6.70	2022
231	Oadby & Wigston	£ 6.70	2023

#### **4. Proposal from Hinckley Taxi Association**

- 4.1 The taxi trade's proposal (1) for Tariff 1 (normal time) from £ 2.80 to £ 3.20 and Tariff 2 (time and a half) from £ 4.20 to £ 4.80 and Tariff 3 (double time) from £ 5.60 to £ 6.40
- 4.2 The taxi trade's proposal (2) Tariff 1 (normal time) from £ 2.80 to £ 3.40 and Tariff 2 (time and a half) from £ 4.20 to £ 5.10 and Tariff 3 (double time) from £ 5.60 to £ 6.80
- 4.3 Table B provides shows the current tariff set and two proposals to uplift the tariff as proposed by Hinckley Taxi Association.

**Table B Summary of proposed increases per Tariff**

<b>Taxi Fare</b>				
		Current	Proposal 1	Proposal 2
Tariff 1		£2.80	£3.20	£3.40
Tariff 2		£4.20	£4.80	£5.10
Tariff 3		£5.60	£6.40	£6.80

## **5. The Power of the Authority to Set Fares**

- 5.1 Local licensing authorities have the power to set taxi fares, and most do so. There is no power to set Private Hire Vehicle fares. In reviewing the tariff fare scales, the Department for Transport suggests that local 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 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.
- 5.2 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.
- 5.3 Hackney carriages have taximeters fitted that are calibrated and sealed. It is not a requirement for private hire vehicles to have meters, although some proprietors choose to install them. There are a number of makes and models of taximeters in use and 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.

- 5.4 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.
- 5.5 The setting of hackney carriage fare fees needs to be conducted in accordance with legislative provisions. If it can be shown that the legislation has not been followed, then the Council may be at risk of judicial review by anyone affected by the decision.

## **6. Scale of Fees**

6.1 The 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'

6.2 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 fare 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.

6.3 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.

### **Licensing Committee**

6.4 The Licensing Committee considered the trades request for an increase in the table of fares. The Licensing Committee recommends the Executive approve taxi trade proposal 2 for all tariffs.

## **7. Exemptions in accordance with the Access to Information procedure rules**

7.1 The report is to be taken in open session.

## **8. Financial implications [MT]**

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

## 9. Legal implications [ST]

9.1 Contained within the body of the report.

## 10. Corporate Plan implications

10.1 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.

## 11. Consultation

11.1 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.

## 12. Risk implications

12.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

12.2 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.

12.3 The following table shows the risks associated with this report /decisions:

Reputation from negative press coverage from enforcement	Ensure enforcement carried out competently and proportionately and in accordance with the policy.	Mark Brymer
A fare increase may have a detrimental effect on public use.	The Council determine the correct course of action.	Mark Brymer

## 13. Knowing your community – equality and rural implications

13.1 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

## **14. Climate implications**

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

## **15. Corporate implications**

15.1 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
- 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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