

SUBJECT:	REVIEW OF HACKNEY CARRIAGE FARES
DIRECTORATE:	COMMUNITIES AND ENVIRONMENT
REPORT AUTHOR:	THOMAS CHARLESWORTH, LICENSING OFFICER

1. Purpose of Report

- 1.1 To consider an application from James Richard Hodgson, a hackney carriage proprietor, to increase the fares for Hackney Carriages in Lincoln.

2. Executive Summary

- 2.1 Committee decision to consider a request to vary the Hackney Carriage Fares in accordance with the received proposal.

3. Current fares

- 3.1 The last fare increase took place in January 2012; the current tariffs are shown at Appendix A.

- 3.2 A hackney carriage driver can levy 4 rates; this is dependent on the date, time of day and number of passengers.

- 3.3 Rate 1 is levied if there are 1 to 4 passengers and the time of day is between 6am and 11pm. This rate is commonly referred to as the day rate.

- 3.4 Rate 2 is levied if there are 1 to 4 passengers and the time of day is between 11pm and 6am. This rate is commonly referred to as the night rate.

- 3.5 Rate 2 is also levied if there are 5 to 8 passengers regardless of the time of day.

- 3.6 Rate 3 is levied if there are 1 to 4 passengers and the time of day is from 11pm on Christmas Eve until 6am on 27th December and from 11pm on New Year's Eve until 6am on 1st January.

- 3.7 Rate 4 is levied if there are 5 to 8 passengers and the time of day is from 11pm on Christmas Eve until 6am on 27th December and from 11pm on New Year's Eve until 6am on 1st January.

4. Current fare prices

- 4.1 Currently under rate 1 if the distance does not exceed 201 metres for the whole

distance the price is £3.00. This is known as the drop price. For distances over 201 metres, for the first 201 metres £3.00 will be added to the fare. For each subsequent 201 metres or part of, 20p is added to the fare.

4.2 In mileage terms, the fare levied under rate 1 would be as follows:

- 1 mile = £4.60
- 2 mile = £6.20
- 3 mile = £7.80
- 4 mile = £9.40
- 5 mile = £11.00

4.3 Under rate 2 if the distance does not exceed 225 metres for the whole distance the price is £3.80 (the drop price). For distances over 225 metres, for the first 225 metres £3.80 will be added to the fare. For each subsequent 225 or part of, 30p is added to the fare.

4.4 In mileage terms, the fare levied under rate 2 would be as follows:

- 1 mile = £5.90
- 2 mile = £8.00
- 3 mile = £10.10
- 4 mile = £12.20
- 5 mile = £14.30

4.5 The price for rate 3 is calculated using the same metred distances and prices as set out in rate 1, plus 100%.

4.6 In mileage terms, the fare levied under rate 3 would be as follows:

- 1 mile = £9.20
- 2 mile = £12.40
- 3 mile = £15.60
- 4 mile = £18.80
- 5 mile = £22.00

4.7 The price for rate 4 is calculated using the same metred distances and prices as set out in rate 2, plus 100%.

4.8 In mileage terms, the fare levied under rate 4 would be as follows:

- 1 mile = £11.80
- 2 mile = £16.00
- 3 mile = £20.20
- 4 mile = £24.40
- 5 mile = £28.60

5. Proposed fares

5.1 Mr Hodgson has submitted an application seeking an increase to rate 1 and rate 2. If this increase is agreed by the Council then rate 3 and rate 4 will also change as rate 3 is charged at rate 1 plus 100% and rate 4 is charged at rate 2 plus 100%.

5.2 Currently under rate 1 the meter price increases by 20p every 201 metres and he would like the metre to increase by 20p every 180 metres.

5.3 Under rate 2 the meter price increases by 30p every 225 metres and he would like the metre to increase by 30p every 202 metres.

6. Proposed fare prices

6.1 Consequently, for rate 1 if the distance does not exceed 180 metres for the whole distance the price will be £3.00. Therefore, there will not be increase to the drop price from the current rate 1 tariff. For distances over 180 metres, for the first 180 metres £3.00 will be added to the fare. For each subsequent 180 metres or part of, 20p is added to the fare.

6.2 In mileage terms, the fare levied under the proposed rate 1 would be as follows:

- 1 mile = £4.60
- 2 mile = £6.40
- 3 mile = £8.20
- 4 mile = £10.00
- 5 mile = £11.80

6.3 For rate 2 if the distance does not exceed 202 metres for the whole distance the price will be £3.80. Therefore, there will not be increase to the drop price from the current rate 2 tariff. For distances over 202 metres, for the first 202 metres £3.80 will be added to the fare. For each subsequent 202 metres or part of, 30p is added to the fare.

6.4 In mileage terms, the fare levied under the proposed rate 2 would be as follows:

- 1 mile = £5.90
- 2 mile = £8.30
- 3 mile = £10.70
- 4 mile = £13.10
- 5 mile = £15.50

6.5 The price for rate 3 is calculated using the same metred distances and prices as set out in the proposed rate 1, plus 100%.

6.6 In mileage terms, the fare levied under rate 3 would be as follows:

- 1 mile = £9.20
- 2 mile = £12.80
- 3 mile = £16.40
- 4 mile = £20.00
- 5 mile = £23.60

6.7 The price for rate 4 is calculated using the same metred distances and prices as set out in the proposed rate 2, plus 100%.

6.8 In mileage terms, the fare levied under rate 4 would be as follows:

- 1 mile = £11.80
- 2 mile = £16.60

- 3 mile = £21.40
- 4 mile = £26.20
- 5 mile = £31.00

6.9 At Appendix B you can see a comparative spreadsheet that shows all 4 rates both at the current tariff and the proposed tariff, for a journey of 1 mile through to a journey of 5 miles. The monetary difference in pounds and pence between the current and proposed tariffs has also been included, to aid the members.

7. Miscellaneous charges

7.1 Waiting time in a hackney carriage is currently charged at a rate of 20p for every 45 seconds for rate 1 and a rate of 30p for every 45 seconds at rate 2.

7.2 Extras can also be levied, see Appendix A for the table of maximum fares that display the prices for these extras, which also includes the soling charge.

7.3 The proposal does not seek to change any of the miscellaneous charges as detailed above and in Appendix A.

8. Consultation

8.1 All 30 hackney carriage proprietors have been consulted and their responses can be seen at Appendix C.

8.2 The salient points are that 17 proprietors are in favour of the proposal with 9 against and 1 abstaining. Please note that Direct Cars (Lincoln Ltd) are the proprietor of 4 hackney carriages and therefore the total number against the proposals, as shown in Appendix C, is 12.

8.3 Out of the responses, 19 made comments, which can be seen at Appendix C. 3 of the proprietors state that they would prefer a 5% increase in 2019. With one of the proprietors, stating that there should be a further 5% increase in 6 months' time. Another proprietor states that there would prefer a further 5% increase in 12 months' time.

8.4 The Members should be aware, as 1 proprietor stated in their comments, that the tariff of fares is the maximum amount that can be levied. A discounted fare from that shown on the meter at the end of a journey can be levied by any driver if they so wish.

9. Decision process

9.1 Whilst the comments received during the consultation should be taken into account, the Members should note that no other proposals have been received from other hackney carriage proprietors. These are merely comments to the proposals submitted by Mr Hodgson.

9.2 A consensus between 30 hackney carriage proprietors would be difficult to achieve and the Licensing Team see no benefit in carrying out consultation with

the hackney carriage trade in regards to the suggestions received as comments.

9.3 It is the opinion of the Licensing Team that if a proprietor seeks to alter the tariff of fares then they themselves should submit a proposal.

10. Committee Procedure and Timetable for any change in present fare structure

10.1 Should a change to our current tariff be approved, the timetable for implementation would be as follows:

- Approval of Full Council – 09/04/2019;
- Advertisement and 14 day period of objections;
- Earliest realistic implementation of new tariff, if no objections received – 1st May 2019

10.2 The Council must advertise the fare increase if one is approved in the local paper and specify on that notice the date on which the new hackney carriage fare tariff will come into force.

10.3 If there are objections than a hearing must be held to hear them.

10.4 If objections are received then the table of fares must come into force with or without modifications as decided by the Council not later than two months after the first specified date on the advertisement notice.

11. Organisational Impacts

11.1 Legal

11.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares for time, distance and all other charges in connection with the hire of a hackney carriage.

11.3 There are no additional legal implications to consider.

11.4 Finance

11.5 Payment of advertising costs to be met by the Licensing budget.

12. Recommendation

12.1 Members views are sought as to whether to recommend to Full Council;

1. To approve all or part of the proposal;
2. To determine its own fare structure; this can include rejecting the proposal and keeping the current tariff of fares.

Key Decision No

Key Decision Reference N/A
No.

Do the Exempt Information Categories Apply No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? Yes

List of Background Papers: Appendix A – Hackney Carriage Table of Maximum Fares
Appendix B – Comparative spreadsheet
Appendix C – Responses and comment received

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