

## Licensing Committee

# Hackney Carriage Fare Review 2026

**5 February 2026**

## Report of Licensing Manager

### PURPOSE OF REPORT

This report is to discuss whether to introduce a new fare tariff in relation to licensed hackney carriages operating in the Lancaster district.

Any decision to update fares will require a referral to Cabinet for decision.

**This report is public**

### RECOMMENDATIONS

- (1) That members consider introducing a new fare tariff for hackney carriages operating in the Lancaster district, and;**
- (2) If necessary, refer their findings to the next Cabinet meeting for approval.**

#### **1.0 Introduction**

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares within the district for time, distance and all other charges in connection with the hire of a hackney carriage. The table of fares is attached to the inside of a hackney carriage; this allows members of the public to view all charges when hiring a vehicle.
- 1.2 The current table of fares took effect on 19<sup>th</sup> April 2023 and is attached at **Appendix 1**.
- 1.3 The setting of fares is an Executive function as it is not one that is listed in the Local Authorities (Function and Responsibilities) (England) Regulations 2000 and therefore falls to the Cabinet to make the decision. In its capacity as an advisory Committee to Cabinet, the Licensing Committee are required to refer any decision to Cabinet for approval.

## **2.0 Background**

2.1 The current hackney carriage table of fares, the frequency of tariff reviews and method for fare setting in future years was approved by the Councils Cabinet on 12<sup>th</sup> April 2022. This was following a period of engagement and consultation with the licensed trade.

2.2 It was approved that, retail price index (RPI) would be applied annually across the tariff, including flag fall and rolling rate, rounding down to the nearest 5p. The statutory requirement for advertisement and consultation would then follow before an updated table of fares would be published, with an updated table of fares coming into effect on a specified date.

## **3.0 Current Position**

3.1 The retail price index for November 2023,2024, and 2025 was 5.3%,3.6% and 3.8%, this has been applied across the tariff as approved by Cabinet.

The table of fares reflecting those updates is attached at **Appendix 2**.

If members are minded amending the table of fares, they may wish to consider soiling charges as applying RPI to this charge was not included in the approved methodology. The soiling charge is a maximum charge vehicle proprietors can charge members of the public should they soil the vehicle. It should represent to cost of cleaning the vehicle and/or loss of earnings for the time taken to ensure the vehicle is roadworthy.

It remained, as it has done for many years at £100 (maximum).

## **4.0 Options and Options Analysis (including risk assessment)**

4.1 The options available to members are listed in the table, along with the advantages/disadvantages and risks associated with each option.

	<b>Option 1:</b> Maintain current table of fares implemented in April 2023.	<b>Option 2:</b> Apply retail price index (RPI) across the tariff.	<b>Option 3:</b> Deregulate fare setting
Advantages	Public are aware of expected fares when hiring a hackney carriage.  Trade supported option (majority).	Drivers' income is increased in line with rising cost of living  The licensed profession may be perceived as a career option for local people.	Allows licensed trade to calculate their own fares, they may be best placed to calculate costs.
Disadvantages	The current table of fares may not represent current	Cost of calibration to drivers.	Licensing Authority has no control on

	cost of living.	Increase not comparable with current app-based competitors.	charges passed to the public.  May create confusion as fares could vary across the trade.
Risks	<p>Not consistently applying the methodology approved by Cabinet.</p> <p>Drivers may decide to leave the trade, fares do not meet the demands of the rising costs of living.</p>	<p>Increase too much for service users. Drivers may see reduced income due to lack of public use.</p>	<p>Lack of public confidence in use of Hackney Carriages due to unknown charges.</p> <p>Varying charges between proprietors creating confusion</p>

## 5.0 Consultation

5.1 Members of the local Hackney Carriage trade and Private Hire Operators were contacted and requested to provide feedback on whether an uplift in fares is required at this time. Additionally, local insights on matters affecting their position, costs and any relevant contributing factors.

5.2 Representatives of all 110 Hackney Carriage vehicles 52 Private Hire Operators were contacted; 13 responses were received, 3 in support of an uplift, 10 believe the current table of fares should remain for a further 12 months.

### Reasons for Uplift

- Increase fares to meet national average as a minimum. (as set out in trade magazine)
- A change would help the trade.
- Significant rise in costs, particularly fuel prices, vehicle maintenance/repairs, insurance and licence fees. The current fare structure no longer reflects the present economic conditions or the level of inflation faced by drivers. Maintaining fares at their current level for an extended period may negatively impact the sustainability of the trade and the ability to continue providing a safe, reliable, and high-quality service to the public. A reasonable adjustment to the fares would be justified and would help ensure the long-term viability of the local Hackney Carriage trade.

### Reasons to Remain

- Uber are destroying the local trade, we can't compete.
- Times are hard, Uber are in the district, and their fares are already lower.
- Any increase would have a negative impact on local Hackney Carriage business, in the current climate.
- Christmas takings were down by 40%

- Current fares adequate in current market
- Look at it next year, hopefully out of town plated vehicles and cross border hiring may gain attention from Central Government and improve local trade.
- Any increase will result in Hackneys going out of business, it needs managing carefully.
- The current Hackney fares are reasonable, and no increase or decrease is necessary. Given that Uber consistently undercuts prices, maintaining the existing fare structure will help ensure we remain competitive.

No further insight was provided regarding fuel costs, insurance premiums or policy matters.

## 6.0 Officer preferred option

6.1 The number of trade responses was poor; it is disappointing given over 150 emails were sent with an open invite for comment/insight to assist Officers in the setting of fares. However, the comments received by those responding are honest and fair.

6.2 It is the Officers preferred option to maintain fares for a further 12 months, the presence of other “out of town” vehicles in the district (many with lower tariffs) present a risk to the local Hackney Carriage trade; any increase in fares may lead the public to look to other services/platforms; this may threaten the viability of the local Hackney carriage trade.

## 7.0 Conclusion

7.1 In 2022, following a period of consultation with the public and licensed trade, the Councils Cabinet, on recommendation of Licensing Committee agreed a methodology for fare reviews in relation to hackney carriages operating in the district.

7.2 Options for the coming year are set out above and include applying the approved methodology, deregulation fare setting and maintaining the current table of fares for a further 12 months,

7.3 As this is an Executive decision the Licensing Committee is not the decision-making body so must refer any adjustment to Cabinet for their approval.

7.4 Members are requested to provide detailed reasons for their decisions, particularly if departing from policy.

<b>CONCLUSION OF IMPACT ASSESSMENT</b> <b>(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b>
None.

<b>FINANCIAL IMPLICATIONS</b>
There are no direct financial implications to the Council as a result of this report

**SECTION 151 OFFICER'S COMMENTS**

Not applicable

**LEGAL IMPLICATIONS**

Pursuant to Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, the advertising requirements are as follows: -

1. Putting a notice in the local paper
2. Notice must specify a date, not less than 14 days from the date that the notice is published to allow for objections and is the date, if no objections are made, that the revised fare will come into force.
3. If objections are made and not withdrawn the Council must consider those objections and the fares then will come into effect (modified or unmodified) within 2 months of the original date.

**MONITORING OFFICER'S COMMENTS**

Not applicable

**BACKGROUND PAPERS**

None.

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