

At a Meeting of the LICENSING AND REGULATORY COMMITTEE held in the COUNCIL CHAMBER on MONDAY, 27th FEBRUARY, 2023 at 10:00am

Present:-

Councillor Fletcher in the Chair

Councillors Ali, Chisnall, Dodds, P. Gibson, PWL Gibson, Hartnack, Heron, Mann and G. Smith

Declarations of Interest

There were no declarations of interest.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Donaghy, Mordey, H. Trueman, M. Walker and A. Wood.

Minutes of the Last Meeting of the Committee held on 30th January, 2023 Part I

1. RESOLVED that the minutes of the last meeting of the Committee held on 30th January, 2023, Part I, (copy circulated), be confirmed and signed as a correct record.

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 – Proposed Variation of Hackney Carriage Fares and Other Charges

The Executive Director of City Development submitted a report, (copy circulated), which sought Members consideration of a request from the Sunderland Hackney Carriage Operators Association, (SHCOA), dated 27th January, 2023 for proposed increases to the present scale of hackney carriage fares.

(For copy report – see original minutes).

At the request of the Chair, Mr. David Thompson, (Solicitor), explained the procedure to be followed when considering the submitted request. Reference was made to Appendix 4 of the Report.

Mr. Scott Lawrence, (Senior Licensing Officer), presented the report and advised of the changes that were requested which were set out in Paragraph 4 of the report.

Mr. Trevor Hines, on behalf of the SHCOA, then addressed the Committee. He advised that applications for an increase in fares were always contentious. He said some drivers were very keen to have fares increased, while others were wary about increasing fares. The majority were listened to in a democratic process and it was following this that the application had been submitted to the Council.

In January, 2022, when the previous application had been made, inflation had been at 5.5 percent. The application at that time was for an average increase of 4.9 percent. As there had been objections to the submitted proposals this meant the implementation of amended maximum tariffs did not come into operation until May, 2022, by which time inflation was at 9.1 percent. Inflation was now at 10.1 percent. Today's application was for an average 7.6 percent increase. The increase over the last two years, should this request be approved, was 6.25 percent, which was well below inflation.

Mr. Hines stated that wages were increasing in other trades, with the living wage increasing by 9.7 percent, pensions and benefits being increased by 10.1 percent. He said there were numerous employers offering pay rises around this level, including: Asda at 10 percent; Tesco at 7 percent, (although this was the third pay rise offered to their staff in a short time); Stagecoach at 11 percent, plus bonus payments. There were also a number of other businesses offering bonuses to staff of over £1,000.00.

It was explained that the running costs of vehicles was increasing, with servicing and repairs having increased in cost by an average of some 15 percent. The cost of replacement vehicles was also significantly increasing, with the average price of a three year old car having increased by 37 percent.

Mr. Hines referred to a survey of the trade undertaken in Glasgow which had shown that there was an overall increase in costs of 19 percent. Within Glasgow there had then subsequently been a 19 percent increase in fares awarded.

Councillor PWL Gibson referred to the replacement of vehicles to comply with new legislation, including the changes to disability legislation. Mr Hines advised that by 2030 all taxis needed to be zero emission and there was a gradual change taking place. There were concerns about the cost of purchasing vehicles which complied with the legislation.

Councillor Ali stated that he could see why there was a need for an increase in the fares and asked whether if there was an increase there would be an improvement in the service provided. He said that it could be difficult to get a taxi currently. Mr Hines advised he hoped it would. He said there was a shortage of drivers, especially during the night shift. It was exceptionally difficult to attract new drivers and this was the worst he had ever seen. Issues included the time it took for DBS checks to be completed. He said that if someone was wanting to join the trade from another line of work the delays could be a barrier to them entering the trade, since they would not want to wait for so long before starting work. The huge cost of purchasing a wheelchair accessible vehicle was also a problem. Those people who were looking for driving jobs may go into bus, or HGV driving, rather than waiting for a DBS check to come back to be able to work as a taxi driver. Mr. Hines explained that Station Taxis had received complaints from people who were finding it difficult to get a wheelchair accessible taxi. As a result, bookings from larger, (up to 8 persons), parties were having to be declined so that the larger, wheelchair accessible vehicles were available for passengers with wheelchairs. He could not say for certain whether the increase in fares would attract new drivers into the trade. The age of the existing drivers was an issue. He said that currently there are a lot of the drivers who are older. Upon their retirement it was difficult to replace them.

Councillor Hartnack commented that there were a lot of people whose employers were not giving large pay rises. He then referred to the comparison data and asked why the local comparison was for a 2.5 mile journey, while the national was for a 2 mile journey. Mr. Hines advised that historically the local comparisons had been done on 2.5 mile journeys. The national table started being produced relatively recently. The author of the table had used 2 miles for comparative purposes.

Councillor Hartnack then stated that there was a significant difference between the top and bottom of the table. He highlighted that Sunderland was significantly higher than some authorities in the Teesside area. Mr Hines advised that the North East had always been in the lower part of the table and that the Teesside area, in particular, had always been towards the lowest end. The fares in Sunderland had always been around the average level. Regular, small increases were sought in Sunderland, rather than infrequent, larger increases. This had been at the request of Members previously following a request for a large increase after a number of years without any increase in fares.

Councillor Mann commented that it was difficult for everyone at the moment and that it was worrying that there were difficulties in attracting drivers into the trade. She referred to Sunderland as being one of the lowest in the local region and asked whether Gateshead were planning to increase their fares as they were currently lower. She also stated that Teesside was a similar area, although the fares there were considerably lower than in Sunderland. She accepted that costs of servicing and replacement vehicles were increasing, but fuel costs were reducing. She was concerned that the requested increase was not in line with the data that was being presented to justify the increase. Mr. Hines, in respect of fuel costs, advised that in January, 2022 costs had been on average 149p per litre for diesel. By the time the current tariff had been implemented in May, 2022 this had increased to 180p per litre for diesel, with costs then continuing to rise to a peak of 189p per litre. This was a 26 percent increase in fuel costs. The average cost had now come down to 165p per litre. However, this was still an increase since the current tariff was applied for. He could not provide an answer for why fares in Teesside were lower.

Councillor Mann then commented that residents were affected by inflation and that the increase in fares would affect people who needed to use taxis. Mr. Hines stated that there were drivers who wanted a 10.1 percent increase, while others felt that the increase applied for was too high. He said there was a need to balance the increase. There was a lack of drivers for night shifts, especially at weekends. Mr. Hines said that even if fares were increased it would still be cheaper than providers, such as Uber, who operated surge pricing. He said licensed premises in the City Centre had expressed concerns over the lack of taxi availability, as it reduced the number of people who were coming into the City Centre. There was the potential for issues in taxi queues, including violence and disorder, if people were not picked up quickly. This was even more so now, since there were no taxi Marshalls on the ranks.

Councillor Dodds queried whether the fares set out for North and South Tyneside Councils were current and whether there were proposals for their fares to increase. Mr. Hines advised that they were and that North Tyneside currently had an application in which, if granted, would see the fares increase to a level above

Sunderland's. He had heard that there was the intention to apply for an increase in South Tyneside.

The Chair commented that there was a need for drivers and their families to be taken into account. They needed to be able to afford to live on their earnings.

The matter having been discussed, Councillor P. Gibson, seconded by Councillor Heron, moved that the requested increase be approved. Councillor Hartnack, seconded by Councillor Mann, moved that the requested increase not be approved. There being two motions duly moved and seconded, the matter was put to a vote and with:-

8 Members voting for approval of the request;
2 Members voting to reject the request; and
No abstentions recorded,
It was:-

2. RESOLVED that the following proposed increases be subject to the statutory advertising requirements, :-
 - a. An increase in the Tariff 1 maximum charges as set out in Paragraph 4.2;
 - b. An increase in the Tariff 2 maximum charges as set out in Paragraph 4.3;
 - c. An increase in the Tariff 3 maximum charges as set out in Paragraph 4.4; and
 - d. No changes be made to charges for waiting time and other charges as set out in Paragraph 4.5

Local Government (Access to Information) (Variation) Order 2006

3. RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during consideration of the remaining business as it was considered likely to include the disclosure of exempt information relating to an individual and the financial or business affairs of a particular person (including the Authority holding that information). (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1 and 3).

(Signed) J. FLETCHER,
Chairman.

Note:-

The above minutes comprise only those relating to items during which the meeting was open to members of the public.

Additional minutes in respect of further items are included in Part II.