

LICENSING AND REGULATORY COMMITTEE – 27 FEBRUARY 2023

REPORT OF THE EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

SECTION 65 OF THE LOCAL GOVERNMENT (MISCELLENEOUS PROVISIONS) ACT 1976 - PROPOSED VARIATION OF HACKNEY CARRIAGE FARES AND OTHER CHARGES

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is for the Committee to consider a request received from the Sunderland Hackney Carriage Operators' Association, ("SHCOA"), dated 27th January, 2023 for increases to the present scale of hackney carriage fares

2.0 DESCRIPTION OF DECISION (RECOMMENDATIONS)

- 2.1 Under Section 65 of the Local Government (Miscellaneous) Provisions Act 1976, ("the Act"), the Council has the power to set hackney carriage fares and other charges. Subject to the prescribed statutory advertising procedure via the publication of a notice, the Committee is requested to consider whether, or not to agree the following requests that have been submitted by SHCOA, :-

- i) An increase in the Tariff One charges as set out in Paragraph 4.2;
- ii) An increase in the Tariff Two charges as set out in Paragraph 4.3; and
- iii) An increase in the Tariff Three charges as set out in Paragraph 4.4.

3.0 INTRODUCTION / BACKGROUND

- 3.1 From time to time the Committee is asked by the hackney carriage trade to consider increasing, (ie. vary), the scale of fares that the Council allows hackney carriage drivers to charge by way of a maximum. When such a request is made this engages Section 65 of the Act and the associated advertising requirements. The last increases were agreed by the Licensing and Regulatory Committee on 25th April, 2022 and came into force on 9th May, 2022. A copy of the current Hackney Carriage Fares Tariffs is attached at **Appendix 1**.
- 3.2 On 27th January, 2023 a letter was received from Mr. Trevor Hines on behalf of SHCOA stating that following consultation with representatives of the Independent Operators in Sunderland and Washington, it had been agreed by the three groups to make a request to the Council that consideration be given to certain proposed amendments to the current hackney carriage fare tariffs. In his letter Mr. Hines has also stated that if the application is approved, it would be the intention to apply the increase no earlier than Monday, 3rd April, 2023. A copy of the letter submitted by Mr. Hines is attached at **Appendix 2**.
- 3.3 Should the Committee be minded to alter the current fare structure and other charges, then under Section 65 of the Act any such proposals must be published in at least one local newspaper circulating in the district and a period of not less than 14 days from the date of first publication must be allowed for objections to be made to the variations that are proposed. This is done via a notice. Any objections received must be given full consideration by the Committee before the revised fares

and other charges can come into operation. If no objections are received, or if all objections so made are withdrawn, the revised fares and other charges would come into effect upon expiry of the objection period, or the date of withdrawal of the last objection, if more than one.

3.4 The following timetable is proposed, :-

- (a) The proposals determined by the Committee be published in the Sunderland Echo on 3rd March, 2023, with objections to the proposed variations being required to be made in writing and received by the Principal Licensing Officer by 4.45pm on 20th March, 2023. Details about how to submit objections will be set out in the notice;
- (b) If no objections to the variations are made, or if all objections made are withdrawn, the variations will come into operation on 3rd April, 2023, or the date of withdrawal of the objection, or if more than one, of the last objection, whichever date is the later; and
- (c) If objections are made and are not withdrawn they will be considered by the Committee at a subsequent Meeting to be held on 24th April, 2023 and the Hackney Carriage Table of Fares will come into operation no later than 8th May, 2023 with, or without modifications as decided by the Committee after consideration of the objections.

4.0 CURRENT POSITION.

4.1 Listed below at Paragraphs 4.2 to 4.4 are the hackney carriage fares tariffs currently charged and those requested by SHCOA

4.2 **TARIFF ONE** : This charge applies to journeys undertaken Monday – Saturday 7.00am to 11.00pm, with the exception of Public and Bank Holidays and the Christmas / New Year period.

The current Tariff One is :

If the distance does not exceed 100.58 metres, (110 yards), for the whole distance	£2.80
If the distance exceeds 100.58 metres, (110 yards), for the first 100.58 metres (110 yards) :	£2.80
and each subsequent 192.02 metres, (210 yards), or uncompleted part thereof :	£0.20

The Tariff One requested by SHCOA is :

If the distance does not exceed 91.44 metres, (100 yards), for the whole distance :	£3.00
If the distance exceeds 91.44 metres, (100 yards), for the first 91.44 metres, (100 yards) :	£3.00
and each subsequent 176.48 metres, (193 yards), or uncompleted part thereof :	£0.20

- 4.3 **TARIFF TWO** : This charge applies to journeys undertaken between 11.00pm and 7.00am each day and all day Sunday, with the exception of Public and Bank Holidays and the Christmas / New Year period.

The current Tariff Two is :

If the distance does not exceed 100.58 metres, (110 yards), for the whole distance :	£3.20
If the distance exceeds 100.58 metres, (110 yards), for the first 100.58 metres, (110 yards) :	£3.20
and each subsequent 146.30 metres, (160 yards), or uncompleted part thereof :	£0.20

The Tariff Two requested by SHCOA is :

If the distance does not exceed 91.44 metres, (100 yards), for the whole distance :	£3.40
If the distance exceeds 91.44 metres, (100 yards), for the first 91.44 metres, (100 yards) :	£3.40
and each subsequent 135.33 metres, (148 yards), or uncompleted part thereof :	£0.20

- 4.4 **TARIFF THREE** : This charge applies to journeys undertaken from 6.00pm on 24th December to 7.00am on 27th December and 6.00pm on 31st December to 7.00am on 2nd January and all day on other Public and Bank Holidays.

The current Tariff Three is :

If the distance does not exceed 100.58 metres, (110 yards), for the whole distance :	£4.20
If the distance exceeds 100.58 metres, (110 yards), for the first 100.58 metres, (110 yards) :	£4.20
and each subsequent 146.30 metres, (160 yards), or uncompleted part thereof :	£0.20

The Tariff Three requested by SHCOA is :

If the distance does not exceed 91.44 metres, (100 yards), for the whole distance :	£4.40
If the distance exceeds 91.44 metres, (100 yards), for the first 91.44 metres, (100 yards) :	£4.40
and each subsequent 135.33 metres, (148 yards), or uncompleted part thereof :	£0.20

- 4.5 As Members will note from Mr. Hines' letter, no variations are being sought as to the following matters, with the current maximum charges therefore being set out for the sake of completeness, with these charges continuing to apply, :-

FARES FOR TIME :

Negotiated at the time of hiring

WAITING TIME :

For each period of 60 seconds : £0.20

EXTRA CHARGES :

For each adult in excess of two in number : £0.20

For each article of luggage, (wheelchairs and pushchairs free of charge) :£0.20

Each dog, or other animal, (except accompanied assistance dogs) : £0.20

Summoning of a vehicle where the hirer has been informed of the charge : £0.60

Fouling of the vehicle (Maximum Charge) : £60.00

5.0 ALTERNATIVE OPTIONS

- 5.1 None submitted. The Committee is required to consider the requested increases to the present scale of hackney carriage fares.

6.0 RELEVANT CONSIDERATIONS / CONSULTATION

- 6.1 The effects of the requested changes to tariffs, as requested by SHCOA, are shown in the Tables on the following page, :-

Tariff One : Average percentage increase is 7.9%

Journey Distance (Miles)	Current Cost	Cost Under Requested Tariff	Percentage Increase %
1	£4.40	£4.80	9.1%
2	£6.20	£6.60	6.5%
2.5	£7.00	£7.60	8.6%
3	£7.80	£8.40	7.7%
4	£9.60	£10.20	6.3%
5	£11.20	£12.20	8.9%

Tariff Two : Average percentage increase is 7.8%

Journey distance (Miles)	Current Cost	Cost Under Requested Tariff	Percentage Increase %
1	£5.40	£5.80	7.4%
2	£7.60	£8.20	7.9%
2.5	£8.60	£9.40	9.3%
3	£9.80	£10.60	8.2%
4	£12.00	£12.80	6.7%
5	£14.20	£15.20	7.0%

Tariff Three : Average percentage increase is 7.0%

Journey Distance (Miles)	Current Cost	Cost under requested tariff	Percentage Increase %
1	£6.40	£6.80	6.3%
2	£8.60	£9.20	7.0%
2.5	£9.60	£10.40	8.3%
3	£10.80	£11.60	7.4%
4	£13.00	£13.80	6.2%
5	£15.20	£16.20	6.6%

- 6.2 The rate of inflation as at 15th February, 2023 using the Consumer Price Index was **10.1%**
- 6.3 Traditionally, the journey distance used for comparison purposes in reports of this nature is 2.5 miles. To that end, attached at **Appendix 3** is a Table showing the costs of a 2.5 mile journey based on the Council's current tariffs, those requested and those of certain neighbouring councils who are Licensing Authorities.

- 6.4 Members are reminded that the Council's current Hackney Carriage Table of Fares, as shown at **Appendix 1**, confirms that Tariff Three applies to all journeys undertaken on the following dates, :-

- (a) From 6pm on 24th December to 7am on 27th December;
- (b) From 6pm on 31st December to 7am on 2nd January; and
- (c) All day on other Public and Bank Holidays.

The comparison table shown at **Appendix 3** shows that certain neighbouring Councils do not have a Tariff Three contained within their Hackney Carriage Table of Fares. However, it is confirmed that all listed neighbouring councils do allow a higher rate of fares to be charged by hackney carriage drivers during the Christmas and New Year period and for all Public and Bank Holidays. These rates are either included within their respective Tariff Two charges, or within a separate Tariff Three.

- 6.4 The Council is entitled to prescribe only the maximum fares and charges that may be charged by hackney carriages. Any individual hackney carriage driver is free to charge less if they so choose.
- 6.5 The existing best practice guidance, as set out by the Department for Transport in its document of March, 2010 headed "Taxi and Private Hire Vehicle Licensing : Best Practice Guidance", relating to hackney carriage fares, (referred to as taxi fares), is also highlighted for the benefit of Members, :-

"52. Local licensing authorities have the power to set taxi fares for journeys within their area, and most do so. (There is no power to set PHV fares.) Fare scales should be designed with a view to practicality. The Department sees it 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. Authorities may wish to consider adopting a simple formula for deciding on fare revisions as this will increase understanding and improve the transparency of the process. The Department also suggests that in reviewing fares authorities should pay particular regard 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.

53. 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 ranks, or for on-street hailings; 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. There is more likely to be a choice of taxi operators for telephone bookings, and there is scope for differentiation of services to the customer's advantage (for example, lower fares off-peak or for pensioners).

54. There is a case for allowing any taxi operators who wish to do so to make it clear – perhaps by advertising on the vehicle – that they charge less than the

maximum fare; publicity such as '5% below the metered fare' might be an example".

- 6.6 Paragraph 3.4 details the process to be followed in respect of consulting on the proposed variations to the maximum hackney carriage fares that can be charged.
- 6.7 For the avoidance of any doubt, the proposed variations to the maximum hackney carriage fares have application to each of the four licensing zones that presently exist within the City of Sunderland, ie., :-
- (a) Sunderland Licensing Zone;
 - (b) Hetton Licensing Zone;
 - (c) Houghton Licensing Zone; and
 - (d) Washington Licensing Zone.
- 6.8 The Procedure that is set out in **Appendix 4** is the procedure that the Committee is recommended to follow when considering SHCOA's request to increase the present scale of hackney carriage fares.

7.0 GLOSSARY

- 7.1 SHCOA - Sunderland Hackney Carriage Operators' Association.

8.0 LIST OF APPENDICES

- 8.1 **Appendix 1 :** The Council's current Hackney Carriage Fare Tariffs;
- 8.2 **Appendix 2 :** Letter from Sunderland Hackney Carriage Operators' Association dated 27th January, 2023;
- 8.3 **Appendix 3 :** Comparisons with other Neighbouring Councils' Current Hackney Carriage Fare Scales; and
- 8.4 **Appendix 4 :** Procedure to be Followed by the Licensing and Regulatory Committee Regarding Proposed Variation of Hackney Carriage Fares and Other Charges.

9.0 BACKGROUND PAPERS

- 9.1 The Department for Transport's "Taxi and Private Hire Vehicle Licensing : Best Practice Guidance", March, 2010.