

## **REGULATORY COMMITTEE – 25 NOVEMBER 2019**

### **REPORT OF THE EXECUTIVE DIRECTOR OF NEIGHBOURHOODS**

#### **LOCAL GOVERNMENT (MISCELLEANEOUS PROVISIONS) ACT 1976 - PROPOSED VARIATION OF HACKNEY CARRIAGE FARE STRUCTURE**

##### **1.0 PURPOSE OF REPORT**

- 1.1** The purpose of this report is to seek the consideration of the Committee of a request received from the Sunderland Hackney Carriage Operators' Association (SHCOA) for increases to the present scale of hackney carriage fares.

##### **2.0 DESCRIPTION OF DECISION (RECOMMENDATIONS)**

- 2.1** The Committee is requested to consider whether or not to agree the following requests, subject to statutory advertising:-
- 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** The Committee is, occasionally, asked by the hackney carriage trade to consider an increase in the scale of fares that the Council allows hackney carriage drivers to charge. The last increase agreed by the Regulatory Committee came into force in April 2018.
- 3.2** Should the Committee be minded to alter the current fare structure, they are advised that, under the provisions of Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, any such proposal must be published in a local newspaper and a period of not less than 14 days allowed for objections to be made. Any objections received must be given full consideration before the revised fares can come into operation. If no objections are received, the revised fares come into effect upon expiry of the objection period.

##### **4.0 CURRENT POSITION.**

- 4.1** Listed at paragraphs 4.2 to 4.4 below are the tariffs currently charged and those requested by SHCOA.
- 4.2** **TARIFF ONE** - This charge applies to journeys undertaken Monday – Saturday 7.00 am to 11.00 pm 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 137.16m (150 yds), for the whole distance     £2.60.

If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £2.60,  
and each subsequent 205.74m (225 yds) or uncompleted part thereof £0.20.

The Tariff One requested by SHCOA is:-

If the distance does not exceed 137.16m (150 yds), for the whole distance £2.60.  
If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £2.60,  
and each subsequent 196.60m (215 yds) or uncompleted part thereof £0.20.

**4.3** TARIFF TWO - This charge applies to journeys undertaken between 11.00 pm and 7.00 am 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 137.16m (150 yds), for the whole distance £3.00.  
If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £3.00,  
and each subsequent 160.02m (175 yds) or uncompleted part thereof £0.20.

The Tariff Two requested by SHCOA is:-

If the distance does not exceed 137.16m (150 yds), for the whole distance £3.00.  
If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £3.00,  
and each subsequent 150.88m (165 yds) or uncompleted part thereof £0.20.

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

The current Tariff Three is: -

If the distance does not exceed 137.16m (150 yds), for the whole distance £4.00.  
If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £4.00,  
and each subsequent 160.02m (175 yds) or uncompleted part thereof £0.20.

The Tariff Three requested by SHCOA is:-

If the distance does not exceed 137.16m (150 yds), for the whole distance £4.00.

If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £4.00,  
and each subsequent 150.88m (165 yds) or uncompleted part thereof £0.20.

## **5.0 ALTERNATIVE OPTIONS**

**5.1** None submitted.

## **6.0 RELEVANT CONSIDERATIONS/CONSULTATION**

**6.1** The effects of the tariffs requested by SHCOA would be as shown in the tables below

Tariff One

Journey distance (Miles)	Current Cost £	Cost under requested tariff £		Percentage Increase %
1	4.20	4.20		0%
2	5.60	5.80		3.6%
2.5	6.40	6.60		3.1%
3	7.20	7.40		2.8%
4	8.80	9.20		4.5%
5	10.40	10.80		3.8%

The average percentage increase of the above is 2.97%

Tariff Two

Journey distance (Miles)	Current Cost £	Cost under requested tariff £		Percentage Increase %
1	5.00	5.00		0%
2	7.00	7.20		2.9%
2.5	8.00	8.20		2.5%
3	9.00	9.40		4.4%
4	11.00	11.40		3.6%
5	13.00	13.60		4.6%

The average percentage increase of the above is 3.0%

#### Tariff Three

Journey distance (Miles)	Current Cost £	Cost under requested tariff £		Percentage Increase %
1	6.00	6.00		0%
2	8.00	8.20		2.5%
2.5	9.00	9.20		2.2%
3	10.00	10.40		4.0%
4	12.00	12.40		3.3%
5	14.00	14.60		4.3%

The average percentage increase of the above is 2.72%

- 6.2** The rate of inflation as at January 2019 using the Consumer Price Index was 1.8%
- 6.3** Sunderland Hackney Carriage Operators' Association (SHCOA) have stated in their request that following consultation representatives of independent hackney carriage operators in Sunderland and Washington are in agreement with their request for an increase in the tariffs.
- 6.4** However, a letter has been received from Mr Michael Young, a representative of hackney carriage drivers in Sunderland stating that they are objecting to any increase in hackney carriage fares at this time. A copy of such letter enclosing a petition signed by 41 hackney carriage drivers is attached at Appendix 2.
- 6.5** 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 on our current tariffs, those requested and those of neighbouring councils.
- 6.6** The Council is entitled to prescribe only the maximum fares that may be charged by hackney carriages. Any individual hackney carriage driver is free to charge less if s/he so chooses.

## **7.0 GLOSSARY**

- 7.1** SHCOA - Sunderland Hackney Carriage Operators' Association.

## **8.0 LIST OF APPENDICES**

Appendix 1 – Request from Sunderland Hackney Carriage Operators' Association (SHCOA)

Appendix 2 – Letter received on behalf of Sunderland Hackney Carriage Drivers

Appendix 3 – Comparisons with some other Councils' hackney carriage fare scales.

**9.0 BACKGROUND PAPERS**

**9.1** None.

# **APPENDIX 1**

## SUNDERLAND HACKNEY CARRIAGE OPERATORS ASSOCIATION

C/o 11 Riverside Road, Southwick, Sunderland, SR5 3JG  
Tel: 0191 516 5070 Fax: 0191 516 5071

S. Wearing Esq.  
Principal Licensing Officer  
Neighbourhoods Directorate  
Sunderland City Council  
Jack Crawford House  
Commercial Road  
Sunderland  
SR2 8QR

30<sup>th</sup> September 2019

Dear Mr Wearing,

Following consultations with representatives of the Independent Hackney Carriage Operators in Sunderland and Washington operators, it has been agreed by the three groups to make a request to the Regulatory Committee to consider amendments to the Hackney Carriage fare tariff as follows: -

### TARIFF ONE:

Monday to Saturday 7.00am to 11.00pm with the exception of Public and Bank Holidays and the Christmas & New Year period.

If the distance does not exceed 150 yards (137.16 metres)

**For the whole distance** £2.60

If the distance exceeds 150 yards (137.16 metres)

**For the first 150 yards (137.16 metres)** £2.60

Each subsequent 215 yards (196.60 metres)

**or uncompleted part thereof** £0.20

### TARIFF TWO:

Monday to Saturday 11.00pm to 7.00am and all day Sunday with the exception of Public and Bank Holidays and the Christmas & New Year period.

If the distance does not exceed 150 yards (137.16 metres)

**For the whole distance** £3.00

If the distance exceeds 150 yards (137.16 metres)

**For the first 150 yards (137.16 metres)** £3.00

Each subsequent 165 yards (150.88 metres)

**or uncompleted part thereof** £0.20

### **TARIFF THREE:**

From 6.00pm on 24<sup>th</sup> December to 7.00am on 27<sup>th</sup> December. From 6.00pm on 31<sup>st</sup> December to 7.00am on 2<sup>nd</sup> January and all day on other Public and Bank Holidays

If the distance does not exceed <u>150 yards</u> (137.16 metres)	
<b>For the whole distance</b>	<b>£4.00</b>
If the distance exceeds 150 yards (137.16 metres)	
<b>For the first <u>150 yards</u> (137.16 metres)</b>	<b>£4.00</b>
Each subsequent <u>165 yards</u> (150.88 metres)	
<b>or uncompleted part thereof</b>	<b>£0.20</b>

The proposed amendments only apply to the running mileage, with the flagfall on all three tariffs remaining the same.

### **FARES FOR TIME**

Negotiated at the time of hiring.

### **WAITING TIME**

It is proposed that the initial free waiting time of 126 seconds is removed, with each period of 60 seconds remaining the same at

**£0.20**

### **EXTRA CHARGES**

For each adult in excess of two in number	<b>£0.20</b>
Each article of luggage (Wheelchairs and Pushchairs free of charge)	<b>£0.20</b>
Each dog or other animal (except accompanied Assistant Dogs)	<b>£0.20</b>
Summoning of vehicle where the hirer has been informed of the charge	<b>£0.60</b>
Fouling of the vehicle (Maximum Charge)	<b>£60.00</b>

We have sought to address the need to cover our increased operating costs without penalising the general public. In submitting this application, we have considered all factors; including increases in garage labour costs and parts, public hire insurance premiums, general running costs and an increase in living expenses due to inflation. As we represent drivers who operate over a twenty-four hours period, we feel that it is only fair that any increase applies to both Tariff One and Tariff Two.

It is once again with great reluctance that we are making this application, but it is felt that it is necessary under the current prevailing circumstances, and it is now over eighteen months since we last applied for an increase.

The average increase for the three tariffs equates to 2.9%, and as most journeys undertaken within the City of Sunderland are anywhere between one mile and five miles long, we feel that it is only fair to look at the average increase over these distances as follows: -



#### TARIFF ONE

Miles	Yards	Metres	Fare	Incr
1.0	1760	1609	£4.20	0.0%
2.0	3520	3219	£5.80	3.6%
2.5	4400	4023	£6.60	3.1%
3.0	5280	4828	£7.40	2.8%
4.0	7040	6437	£9.20	4.5%
5.0	8800	8047	£10.80	3.8%
Average of Above				2.97%

#### TARIFF TWO

Miles	Yards	Metres	Fare	Incr
1.0	1760	1609	£5.00	0.0%
2.0	3520	3219	£7.20	2.9%
2.5	4400	4023	£8.20	2.5%
3.0	5280	4828	£9.40	4.4%
4.0	7040	6437	£11.40	3.6%
5.0	8800	8047	£13.60	4.6%
Average of Above				3.00%

#### TARIFF THREE

Miles	Yards	Metres	Fare	Incr
1.0	1760	1609	£6.00	0.0%
2.0	3520	3219	£8.20	2.5%
2.5	4400	4023	£9.20	2.2%
3.0	5280	4828	£10.40	4.0%
4.0	7040	6437	£12.40	3.3%
5.0	8800	8047	£14.60	4.3%
Average of Above				2.72%

Due to the complexity of the formula to calculate increases on all three tariffs, it is almost impossible to have the same average increase on every tariff, as each 20p increase on the meter generates a fixed percentage increase.

Looking forward to a response at your earliest convenience,

Yours faithfully,

*T. E. Hines*

T. E. Hines.  
For and on behalf of  
Sunderland Hackney Carriage  
Operators Association.

# **APPENDIX 2**

Received 29/10/19

Mr Michael Young

As the representative for the Hackney Carriage drivers of Sunderland, I have been asked to lodge an objection to the tariff increase that has been proposed by the Sunderland Hackney Carriage association (Station Taxis).

Station Taxis claim it to be a request by the whole of the trade, however it is not. A large amount of Hackney Carriage operate under the rules set out for Hackney Carriages and only operate off official ranks and flag downs.

A tariff increase in the present economic climate would be damaging to our trade, which is struggling with the lack of custom in our city centre.

At no time has any organisation contacted us to discuss this matter as they know it would get a negative response.

Considering there has been no major increase in fuel costs or mechanical repair costs. We see no reasonable point for an increase.

A taxi to a lot of people is a luxury in the present economic climate and an increase would be damaging to the trade, therefore we strongly object to the proposed increase.

*M J Young*

We, the undersigned, object to the tariff increase.

Name	Signature	
MICHAEL YOUNG	M I Young	897
PAUL TODD	Paul Todd	265
BARRY STOREY	Barry Storey	331
ZIGGY FLYNN	Ziggy Flynn	1763
IAN MILLS	Ian Mills	330
JOHN DOWD	John Dowd	101
BREN McFONE	Bren McFone	1967
DAVID ROSS	David Ross	1849
R. BURNETT	R. Burnett	52
MARTYN NAUGHER	M. Naugher	1781760
WILLIAM WOOD	W. Wood	1292
DARREN YOUNG	D. Young	2096
ANTHONY STUBBS	Anthony Stubbs	295
PAUL CHAPMAN	Paul Chapman	1906
STEPHEN BILLORE	Stephen Billore	218
GEORGE RAMSAY	George Ramsay	248
DAVID FINCH	D. Finch	402
THOMAS PERRY	Thomas Perry	744
GEORGE JOSEPH	George Joseph	1911
SUNIL SNEEDHASAN	Sunil Sneedhasan	236
GRAHAM GAFFNEY	Graham Gaffney	665
RAY BRADFORD	Ray Bradford	
RODNEY SMALL (1086)	Rodney Small	
Syed Rehab Ali	Syed Rehab Ali	1990
THOMAS ENGLISH	Thomas English	133

**We, the undersigned, object to the tariff increase.**

[illegible]

We, the undersigned, object to the tariff increase.

Name	Signature
DAVID BROWN 269	D. Brown -
NEIL BELL 269	
CRAIG SCOTT 22	
Micheal Stockdale 25	
Richard Timm 139	
Andrew Galloway 5	
Paul Marin 1558	
Dereck Holden 59	
Anthony Peters 40	
TERRY McDonagh 1187	
Andrew Parkins 1	
Paul Iaverick 162.	
Peter Kirby 319.	
Peter Davison 177	
Paul Waddel 61	
David Barwick 212	
GAVIN Young 65.	
Alan Brown 50	
Paul Brown 162	
Micheal Purvis 290	
David Purvis 290	
Mick 93	
Micheal Fenbow 141	
Gary Redman 38	
Ian Redman 38	
Darren TAYLOR 301	
Brian Pye 4	

Steve Dixon 31

Barry Crompton 31

Barry henderson 56.

# **APPENDIX 3**

## Comparison of cost of 2.5 mile journey

		<b>Tariff 1</b>	<b>Tariff 2</b>	<b>Tariff 3</b>
Sunderland	Current	£6.40	£8.00	£9.00
Sunderland	Requested	£6.60	£8.20	£9.20
Gateshead		£5.70	£7.20	£8.80
North Tyneside		£6.80	£8.60	N/A
South Tyneside		£7.00	£8.00	£10.00
Newcastle		£6.80	£7.60	N/A
Durham		£7.60	£10.20	£11.60