

## **REGULATORY COMMITTEE – 5 MARCH 2018**

### **REPORT OF THE EXECUTIVE DIRECTOR OF ECONOMY AND PLACE**

#### **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 February 2015.
- 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     £2.40.

If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £2.40,  
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 205.74m (225 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 £2.80.

If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £2.80,

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 160.02m (175 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 £3.80.

If the distance exceeds 137.16m (150 yds), for the first 137.16m (150 yds) £3.80,

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 160.02m (175 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<br>(Miles) | Current Cost<br>£ | Cost under<br>requested tariff<br>£ |  | Percentage<br>Increase % |
|-----------------------------|-------------------|-------------------------------------|--|--------------------------|
| 1                           | 4.00              | 4.20                                |  | 5.0%                     |
| 2                           | 5.40              | 5.60                                |  | 3.7%                     |
| 2.5                         | 6.20              | 6.40                                |  | 3.2%                     |
| 3                           | 7.00              | 7.20                                |  | 2.9%                     |
| 4                           | 8.60              | 8.80                                |  | 2.3%                     |
| 5                           | 10.20             | 10.40                               |  | 2.0%                     |

The average percentage increase of the above is 3.2%

Tariff Two

| Journey distance<br>(Miles) | Current Cost<br>£ | Cost under<br>requested tariff<br>£ |  | Percentage<br>Increase % |
|-----------------------------|-------------------|-------------------------------------|--|--------------------------|
| 1                           | 4.80              | 5.00                                |  | 4.2%                     |
| 2                           | 6.80              | 7.00                                |  | 2.9%                     |
| 2.5                         | 7.80              | 8.00                                |  | 2.6%                     |
| 3                           | 8.80              | 9.00                                |  | 2.3%                     |
| 4                           | 10.80             | 11.00                               |  | 1.9%                     |
| 5                           | 12.80             | 13.00                               |  | 1.6%                     |

The average percentage increase of the above is 2.6%

### Tariff Three

| Journey distance<br>(Miles) | Current Cost<br>£ | Cost under<br>requested tariff<br>£ |  | Percentage<br>Increase % |
|-----------------------------|-------------------|-------------------------------------|--|--------------------------|
| 1                           | 5.80              | 6.00                                |  | 3.4%                     |
| 2                           | 7.80              | 8.00                                |  | 2.6%                     |
| 2.5                         | 8.80              | 9.00                                |  | 2.3%                     |
| 3                           | 9.80              | 10.00                               |  | 2.0%                     |
| 4                           | 11.80             | 12.00                               |  | 1.7%                     |
| 5                           | 13.80             | 14.00                               |  | 1.4%                     |

The average percentage increase of the above is 2.2%

- 6.2** The rate of inflation as at January 2018 using the Consumer Price Index was 3.0%
- 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 2 is a table showing the costs of a 2.5 mile journey on our current tariffs, those requested and those of neighbouring councils.
- 6.4** Sunderland Hackney Carriage Operators' Association (SHCOA) have indicated in their request that representatives of the hackney carriage trade in Hetton, Houghton and Washington and independent hackney carriage operators in Sunderland have been consulted in respect of the request for an increase to the tariffs.
- 6.5** 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 – 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

R. Reading Esq.  
Trading Standards & Licensing Manager  
Sunderland City Council  
Economy and Place Directorate  
Trading Standards Section  
Jack Crawford House  
Commercial Road  
Sunderland  
SR2 8QR

19<sup>th</sup> January 2018

Dear Mr Reading,

Following consultations with representatives of the Independent Hackney Carriage Operators in Sunderland and the 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 225 yards (205.74 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 175 yards (160.02 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>175 yards</u> (160.02 metres)                 |              |
| <b>or uncompleted part thereof</b>                               | <b>£0.20</b> |

The proposed amendments only apply to the flagfall; the subsequent running mileage, fares for time, waiting time and all other charges remain the same.

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 presently running at 3.0%. 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 three years since we last applied for an increase. The average increase for the three tariffs equates to 2.7%, 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  | 5.0% |
| 2.0              | 3520  | 3219   | £5.60  | 3.7% |
| 2.5              | 4400  | 4023   | £6.40  | 3.2% |
| 3.0              | 5280  | 4828   | £7.20  | 2.9% |
| 4.0              | 7040  | 6437   | £8.80  | 2.3% |
| 5.0              | 8800  | 8047   | £10.40 | 2.0% |
| Average of Above |       |        |        | 3.2% |

### TARIFF TWO

| Miles            | Yards | Metres | Fare   | Incr |
|------------------|-------|--------|--------|------|
| 1.0              | 1760  | 1609   | £5.00  | 4.2% |
| 2.0              | 3520  | 3219   | £7.00  | 2.9% |
| 2.5              | 4400  | 4023   | £8.00  | 2.6% |
| 3.0              | 5280  | 4828   | £9.00  | 2.3% |
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| 3.0              | 5280  | 4828   | £10.00 | 2.0% |
| 4.0              | 7040  | 6437   | £12.00 | 1.7% |
| 5.0              | 8800  | 8047   | £14.00 | 1.4% |
| Average of Above |       |        |        | 2.2% |

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**

# Comparison of cost of 2.5 mile journey

|                |           | Tariff 1 | Tariff 2 | Tariff 3 |
|----------------|-----------|----------|----------|----------|
| Sunderland     | Current   | 6.20     | 7.80     | 8.80     |
| Sunderland     | Requested | 6.40     | 8.00     | 9.00     |
| Gateshead      |           | 5.70     | 7.20     | 8.80     |
| North Tyneside |           | 6.40     | 8.00     | N/A      |
| South Tyneside |           | 6.20     | 7.20     | 8.00     |
| Newcastle      |           | 6.80     | 7.60     | N/A      |
| Durham         |           | 6.80     | 9.30     | 13.00    |