

North Tyneside Council

Report to Regulation & Review Committee

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Report from Service Area: Environment, Housing and Leisure

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Wards affected: All

PART 1

1.1 Purpose

The purpose of the report is to consult with Committee in relation to the review of fares for Hackney Carriages. The current Hackney Carriage and Private Hire Policy indicates that the Authority will review the fare tariff when requested by the Trade.

1.2 Recommendations

The Committee is recommended to:

- I. Express its views to the Head of Environment, Housing and Leisure in relation to the request for a revision to the Hackney Carriage fare table so that Committee's views are known to the Head of Environment, Housing and Leisure when he fixes such fares.

2.0 Background Information

2.1 Background

- 2.1.1 The Authority conducts an annual review of Hackney Carriage fares each year in accordance with the North Tyneside Council Hackney Carriage and Private Hire Policy. In addition the fares may be reviewed when requested by the Trade. Under the Authority's Officer Delegation Scheme the Head of Environment, Housing and Leisure has the delegated authority to set fares for hackney carriages following the appropriate consultation with the Cabinet Member and Regulation and Review Committee. That delegation is as follows:-

“Fixing the fares for hackney carriages in accordance with the statutory procedure (pursuant to section 65 Local Government (Miscellaneous Provisions) Act 1976) and following appropriate consultation with the Cabinet Member and Regulation and Review Committee.”

- 2.1.2 The former Licensing Committee agreed a formal procedure on 11 October 2001 following consultation with North Tyneside Hackney Carriage Association (NTHCA) for reviewing the table of fares for Hackney Carriages. It was agreed that each year, a formula would be used to calculate a ‘cost per mile’ figure for the operation of a Hackney Carriage. The formula takes into account vehicle running costs including insurance, and driver earnings based on average earnings for the region. The figure produced would then be used as the basis for calculating the table of fares. In November 2006 the Committee agreed revisions to the original procedure approved by Committee in 2001 to provide greater clarity and transparency in setting out the method of applying the formula. The formula itself was retained but in addition, the way in which it is applied to a proposed fare table was set out.
- 2.1.3 Officers have attempted to use this formula however this has not been possible due to two issues. Firstly the AA no longer produce a report detailing average running costs of a vehicle. Also, the formula requires average insurance costs to be considered. Insurance Brokers no longer provide this detail due to data protection. Due to these issues Officers have not been able to use the formula. However a cost per mile has been calculated on the 5% increase requested by the NTHCA.
- 2.1.4 NTHCA has submitted a request that the Authority reviews its current table of fares for Hackney Carriages. The following request has been received:

Tariff one

Reduce the yardage from 213 yards or part there of or 53 seconds to 202.9 yards or part there of or 51 seconds (25p)
Flag fall increased from £1.80 to £2.00

Tariff two

Reduce the yardage from 182 yards or part there of or 51 seconds to 173.3 yards or part there of or 49 seconds.
Flag fall increased from £2.60 to £2.70 (25p)

Officers have calculated the cost of the request over a three mile period for tariffs 1 and 2 to produce an average cost per mile of £3.11. The current cost per mile is £2.94. A copy of the current fare table is attached at Appendix 1 to this report.

The NTHCA have provided the following reasons for their request for a tariff increase:

“Reasons for review - Fuel prices, insurance, servicing and repair costs. Cost of living all have increased. Also to give the driver the possibility of earning the minimum wage”.

- 2.1.5 As a comparison, the other fare rates for neighbouring authorities are:

Newcastle City Council:

Tariff one

Flag fall £2.40
200.5 yards or 40 seconds – 20p

Tariff two
Flag fall £2.40
172.9 yards or 31 seconds – 20p

Gateshead Council

Tariff one

Flag fall £2.10
234 yards or 56 seconds – 20p

Tariff two

Flag fall £2.60
188 yards or 56 seconds – 20p

Sunderland City Council

Tariff one

Flag fall £2.60
225 yards – 20p

Tariff two
Flag fall £3.00
175 yards – 20p

Northumberland Council

Tariff one

Flag fall £2.50
91 yards – 10p

Tariff two

Flag fall £2.90
72 yards – 10p

3.0 Decision Options

Committee is not being asked to make a decision in relation to this matter. This report is for Committee to provide a consultation response to the Head of Service for Environment, Housing and Leisure.

4.0 Appendices:

4.1 Appendix 1 – Current table of fares.

5.0 Contact Officers:

5.1 Colin MacDonald, Senior Manager, Technical & Regulatory Services, Tel: 0191 643 6620

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6.0 Background Information:

6.1 The following background papers have been used in the compilation of this report and are available for inspection at the offices of the author of the report.

1. North Tyneside Council Hackney Carriage and Private Hire Licensing Policy

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and Other Resources:

There are no financial implications for the Authority arising directly from this report. Costs associated with the development of regulatory option proposals are met from existing budgets.

2.2 Legal

Chapter 5 North Tyneside Council Hackney Carriage and Private Hire Licensing Policy sets out the procedure for setting and reviewing Hackney Carriage fares.

The Authority may fix or vary a table of fares for Hackney Carriages by virtue of Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

If the Head of Service for Environment, Housing and Leisure proposes to vary the table of fares for Hackney Carriages, the Local Government (Miscellaneous Provisions) Act 1976 requires the Authority to place a notice in at least one local newspaper setting out the variation in the table of fares and allowing a period of at least 14 days within which objections to the variation can be made.

Paragraph 5.2.3 of the Council Hackney Carriage and Private Hire Licensing Policy prescribes that Notices are to be published in the Evening Chronicle or similar newspaper.

In the event of the receipt of any objections during the 14 day period these would be considered by the Head of Service for Environment, Housing and Leisure before a final decision was made in respect of any fare. A date would be set not later than two months after the first specified period of 14 days on which the table of fares shall come into force with or without modifications as decided after consideration of the objections.

If no objections are received the variation will take effect following the expiry of the 14 days notice period.

2.3 Consultation/Community Engagement:

If the Head of Service decides to vary the table of fares for Hackney Carriages, the Local Government (Miscellaneous Provisions) Act 1976 requires that the Authority must place a notice in at least one local newspaper setting out the variation in the table of fares and allowing a period of at least 14 days within which objections to the variation can be made.

The Head of Environment, Housing and Leisure is consulting with the Regulation and Review Committee, prior to determining this matter in accordance with his delegated authority and will also consult with the appropriate Cabinet Member.

2.4 Human Rights:

There are no human rights issues arising directly arising from this report.

2.5 Equalities and Diversity:

There are no equality and diversity implications arising directly from this report. Equality Impact Assessments will be undertaken as part of the development of regulatory option proposals.

2.6 Risk Management:

There are no significant risk management implications to the Authority arising directly from this report.

2.7 Crime and Disorder:

It is not considered that there are any crime and disorder implications arising directly from this report.

2.8 Environment and Sustainability:

It is not considered that there are any environment and sustainability implications arising directly from this report.