

**Manchester City Council
Report for Resolution**

Report to: Executive – 27 June 2018

Subject: Hackney Carriage Fare Review 2018

Report of: Deputy Chief Executive (Growth and Neighbourhoods)

Summary

In its capacity as advisor to the Executive on hackney carriage fares, the Licensing and Appeals Committee considered a report at its meeting on 4 June 2018, which set out proposals to amend the current Hackney Carriage Fare Card in relation to increased operating charges the Hackney Carriage Trade will be made subject to in the near future. The report outlined the need to consider those changes in lieu of a full Fare Review this year.

This report provides the Executive with the recommendations of the Licensing and Appeals Committee in respect of those changes. It outlines the concerns raised by the Committee with respect of one particular amendment to the Fare Card.

Recommendations

That the Executive (subject to no other matters being raised at the meeting) consider the recommendations of the Licensing and Appeals Committee as follows:

1. Accept all the recommendations of the Licensing and Appeals Committee (as set out in Appendix 3); or
 2. Accept the recommendations in part but allow the following change to the Fare Card as proposed by officers (as set out in Appendix 4):
 - Introduction of drop off charge at Terminal drop off forecourts of £1.80
-

Wards Affected: All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The hackney carriage fare is normally reviewed annually by the City Council and takes into account the cost associated with setting up and maintaining a business as a taxi proprietor/driver to ensure it is viable and sustainable. This strives towards security in driver jobs and a higher standard of vehicle. The standard of vehicles assists the performance of the regional economy in relation to the purchase and maintenance of vehicles.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not applicable to the contents of this report.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The fare report seeks to ensure that hackney carriage drivers and proprietors do not have to bear additional costs that they cannot recover through the fares, ensuring they can operate equitably and maintain access to all the ranks at various transport terminals, enabling our fully accessible transport offer to continue end to end.
A liveable and low carbon city: a destination of choice to live, visit, work	<p>The consideration of hackney carriage fares should take into account the standard of living of those associated with taxi licensing and the cost to the 'taxi user'. Any increase in fares is a direct cost increase to service users. Any decrease in fares is a direct cost decrease for those associated with the taxi trade.</p> <p>There is currently no detailed evidence to support the public concept of the cost associated with hiring a hackney carriage vehicle. It is therefore proposed consideration be given that future Unmet Demand Surveys should be more inclusion in relation to public consultation.</p>
A connected city: world class infrastructure and connectivity to drive growth	Changes to Hackney Carriage Fares and charges take into account industry changes to support drivers and proprietors in earning a liveable wage and maintaining the fleet to our aspired world class standards, particularly at gateways to the City where the service and its infrastructure is an integral part of the public transport offer and links to the rest of the City.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

Contact Officers:

Name: Sara Todd
Position: Deputy Chief Executive (Growth and Neighbourhoods)
Tel: 801 33119

Background documents

Report to Licensing and Appeals Committee of 4 June 2018
Hackney Carriage Fare Review Executive Report 28 June 2017
Relevant sections of the Local Government (Miscellaneous Provisions) Act 1976
Halcrow-Manchester Formula

1. Introduction

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares for time, distance and all other charges in connection with the hire of a hackney carriage. This is a function of the Executive.
- 1.2 There is no requirement to review the fares annually, and members may recall a resolution of the 2017 Fare Review to reconsider the frequency of reviewing the Hackney Carriage fares, and the merit of it coinciding with the introduction of a new survey to replace the Unmet Demand Survey (due Qtr 4 18/19).
- 1.3 In June 2018 the Licensing and Appeals Committee, in its advisory capacity to the Executive, considered a report (in two parts) from officers (**Appendix 1 and 2**) which provided information with regard to the hackney carriage fares. As set out in the reports, the proposal is not to conduct a full Fare Review until a full review of the methodology is conducted, alongside a new public survey to better inform decision making.
- 1.4 In lieu of a full Hackney Carriage Fare Review, a decision is needed in respect of changes to the current fare card.
- 1.5 The report from officers made the following proposals:
 1. The Committee agree to make a recommendation to the Executive that a Review of the Hackney Carriage Fares will not take place until a report is brought back to the Licensing and Appeals Committee, which includes:
 - a. A review of the current methodology used by the Council to review the hackney carriage fare
 - b. An outline of a 'Taxi Licensing Survey' that will replace the current 'Unmet Demand Survey'
 2. Pending the above review and report, the Committee agree to recommend to the Executive that the immediate changes are made to the current fare card:
 - (i) The Executive note the removal of the text, which relates to the administration charges for using a credit card.
 - (ii) Cost of the Piccadilly Station Barrier to increase from 40p to 60p
 - (iii) Introduction of a barrier charge at the Ground Transport Interchange (Rail-link at Manchester Airport) of 60p
 - (iv) Introduction of drop off charge at Terminal drop off forecourts of £1.80

2. Recommendations and comment from Licensing and Appeals Committee

- 2.1 The Licensing and Appeals Committee considered the reports and made the following recommendations to the Executive:
- 2.2 The Committee recommends that a full review of Hackney Carriage Fares does not take place until a further report is brought back to the Committee (in accordance with point 1 above).
- 2.3 The Committee recommend that changes are made to the Hackney Carriage Fare Card in accordance with points 2 (i), (ii) and (iii). However, the Committee does not recommend the followed proposed change to the Hackney Carriage Fare Card:
- (iv) Introduction of drop off charge at Terminal drop off forecourts of £1.80
- 2.4 The Committee expressed concern in principle at the introduction of a parking charge at the airport for all vehicles dropping off passengers at terminals. The Committee expressed the view that by approving the introduction of this drop off charge on the Hackney Carriage fare card, this would be an implied approval of Manchester Airport's decision to impose the charge on all customers. The Committee also raised the following questions in relation to their decision not to recommend the charge be added onto the fare card:
- Requested clarity over how the decision was made and what consultation had taken place
 - Requested clarity on the evidence base for the charging model
 - Requested clarity on how passengers with disabilities would not be charged

3. Response to Licensing and Appeals Committee concerns

- 3.1 Notwithstanding the concerns raised by Members, the Committee was reminded that the matter for consideration was only whether or not to recommend to the Executive that the discounted lower charge of £1.80 be added onto the Hackney Carriage Fare card to ensure that the Hackney Trade did not have to bear this cost themselves; that this be allowed to be passed on to passengers requesting to be dropped off at terminal forecourts. The matter of the introduction of the charging model itself was not for consideration of the Committee.
- 3.2 In recognition of the concerns highlighted, officers can provide the following further information received from Manchester Airport Group (MAG) for the Executive in considering the proposals;
- 3.3 The decision to introduce a charging model for passenger drop off at airport terminals was taken by the MAG over a 12 month period with board approval. MAG followed its established consultation mechanism which is its Manchester Airport Consultative Committee (and its User Group sub-committee). Various Members from Manchester, Trafford, Stockport and Cheshire alongside

community representatives were part of this process, and informed local members as well as other user groups. One of the outcomes of the consultation process was to introduce a scheme enabling free access for Blue Badge holders.

- 3.4 MAG have confirmed that the issue of congestion at the airport has been looked at for some time, and studies were commissioned on how to address the issue alongside learning from other core city and international airports. Studies showed that Manchester has one of the highest levels of 'kiss and fly' traffic (passengers being dropped off/picked up by a friend or relative) in the country, standing at around 50% of airport traffic. MAG state that they also experience recirculation rates of around 20% at peak time, meaning 1 in every 5 cars enters the forecourt areas at least twice, significantly adding to congestion. The Surface Access Forum identified this in 2017 as the number one issue for MAG to tackle in relation to the extreme congestion experienced at the forecourts and surrounding estate at peak times.
- 3.5 MAG modelling on anticipated growth levels also demonstrates that without intervention at the forecourts, further congestion and passenger delays will be inevitable. It also showed that 84% of the drop off stays were less than 5 minutes, therefore offering 5 minutes for free would not solve the problem.
- 3.6 With additional security restrictions on forecourts, reducing the space and capacity further, another solution was required as no further capacity or additional traffic management could effectively address the volume of traffic and change customer behaviour to use the off-site drop off areas and dedicated shuttle services to the forecourts. The location of the free drop off area has been chosen so that cars will not be passing through surrounding neighbourhoods en-route to the site. Furthermore, all but 3 other UK airports have resorted to charging mechanisms of a similar nature to reduce congestion, as well as 13 of the top 20 European cities. MAG benchmarked its price mechanism to fix it with an aim to sufficiently deter people from using the forecourt (and using it repeatedly in the one visit) while remaining fair to consumers who still want front of terminal access.
- 3.7 MAG have confirmed that in agreement with the Airport's Disability Forum, the charging policy will be widely publicised and passengers who possess a blue badge will be asked to bring it to the airport with them so that they can be easily identified. In situations where this unfortunately doesn't happen for whatever reason, MAG will adopt a common sense view and marshals will be on hand at all the entry and exit barriers to ensure that passengers (and public transport vehicles carrying them) who have physical disabilities will not be subjected to the drop off charges. MAG also are keen to point out that no other UK airports who have a charging model offer this exception for disabled passengers.

4. Implementation of any change to the hackney carriage fare

- 4.1 If there are changes to be made to the fares there is a requirement for a public notice to be placed in a local newspaper (normally the MEN), starting a 14 day

public consultation. If any objections were subsequently received these would be re-considered by the Executive. Following re-consideration of the objections the Executive will be asked to agree an implementation date for any fare changes (with or without amendments) to take effect. That date of implementation must be within 2 months of the date specified in the public notice. This process would not be required if no changes were made to the fares or if no objections were received.

- 4.2 The current fares (and extras on the fare card) will continue until the date the revised fare takes effect. MAG and Network Rail have agreed to hold off implementation of their new charges for our Hackney Carriages pending the outcome of these proposals in order that the trade are not unduly out of pocket.

5. Proposed Timetable

- 5.1 The relevant legislation sets out a process and time scale for the introduction of any change to the fares and this is set out below:

4 June 2018	Licensing and Appeals Committee consider report and make representations to Executive
27 June 2018	Executive consider the recommendations made by the Licensing and Appeals Committee. Where the Executive determine to change any part of the current fare a Public notice must be placed in Manchester Evening News. The consultation period is 14 days. In this case the notice will be placed in the MEN on 28 June 2018 and the end of the consultation period will be 12 July 2018. Where no objections are received the revised fares will automatically take effect on 13 July 2018.
25 July 2018	Where objections are received these are considered by the Executive. Following re-consideration of the objections the Executive will be asked to agree an implementation date for any fare changes (with or without amendments) to take effect. That date of implementation must be within 2 months of the date specified in the public notice (by 13 September 2018)

6 Legal implications

- 6.1 There are no additional legal implications to consider.

7. Key Policies and Considerations

(a) Equal Opportunities

There are no equal opportunity issues in relation to this report

(b) Risk Management

There are no risk management issues in relation to this report

(c) Legal Considerations

There are no legal considerations other than those already highlighted within the report

8. Conclusion

- 8.1 Corresponding Fare Cards have been drafted and attached for approval dependant on which decision is made by the Executive.
- 8.2 The decision for the Executive is:
- I. Accept all the recommendations of the Licensing and Appeals Committee (**Appendix 3**); or
 - II. Accept the recommendations in part but allow the following change to the Fare Card as proposed by officers (**Appendix 4**):
 - Introduction of drop off charge at Terminal drop off forecourts of £1.80

Manchester City Council Report for Resolution

Report To: Licensing and Appeals Committee – 4 June 2018

Subject: Hackney Carriage Fare Review 2018

Report of: Head of Planning, Building Control and Licensing

Summary

The report provides the Committee with the information required to make a recommendation to the Executive in respect of the Hackney Carriage Fare Review 2018.

The report advises that the methodology used to review the hackney carriage fare has been in use since 2012; it is suggested that no fare review should take place this year until a full review of the current methodology is completed and a report brought back subsequently before the Committee.

It is also proposed that the related Unmet Demand Survey which takes place every 3 years (due 2018/19) be replaced by the introduction of a new 'Licensing Survey'; which would be broader in scope to provide more meaningful data that should help inform the Fare Review and would include an assessment of demand.

The report also details, that pending the provision of the above reports, there are some immediate changes required to the current fare card with regards credit card charges and the consideration of increased costs to the trade at Railway stations.

Recommendations

5. The Committee agree to make a recommendation to the Executive that a Review of the Hackney Carriage Fares will not take place until a report is brought back to the Licensing and Appeals Committee, which includes:
 - a. A review the current methodology used by the Council to review the hackney carriage fare
 - b. An outline of a 'Taxi Licensing Survey' that will replace the current 'unmet demand survey'
2. Pending the above review and report, the Committee agree to recommend to the Executive that the immediate changes are made to the current fare card:
 - (i) The Executive note the removal of the text, which relates to the administration charges for using a credit card.
 - (ii) Cost of the Piccadilly Station Barrier to increase from 40p to 60p

(iii) Introduction of a barrier charge at the Ground Transport Interchange (Rail-link at Manchester Airport) of 60p

Wards Affected: All

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	The hackney carriage fare is normally reviewed annually by the City Council and takes into account the cost associated with setting up and maintaining a business as a taxi proprietor/driver to ensure it is viable and sustainable. This strives towards security in driver jobs and a higher standard of vehicle. The standard of vehicles assists the performance of the regional economy in relation to the purchase and maintenance of vehicles.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not applicable to the contents of this report.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The fare report seeks to ensure that hackney carriage drivers and proprietors do not have to bear additional costs that they cannot recover through the fares, ensuring they can operate equitably and maintain access to all the ranks at various transport terminals, enabling our fully accessible transport offer to continue end to end.
A liveable and low carbon city: a destination of choice to live, visit and work.	<p>The consideration of hackney carriage fares should take into account the standard of living of those associated with taxi licensing and the cost to the 'taxi user'. Any increase in fares is a direct cost increase to service users. Any decrease in fares is a direct cost decrease for those associated with the taxi trade.</p> <p>There is currently no detailed evidence to support the public concept of the cost associated with hiring a hackney carriage vehicle. It is therefore proposed consideration be given that future Unmet Demand Surveys should be more inclusion in relation to public consultation.</p>

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management

- Legal Considerations
-

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

Contact Officers:

Name: Danielle Doyle
Position: Licensing Unit Manager
Telephone: 0161 234 5004
E-mail: d.doyle@manchester.gov.uk

Name: Ann Marku
Position: Principal Licensing Officer
Telephone: 0161 234 5004
E-mail: a.marku@manchester.gov.uk

Background documents

Relevant Sections of the Local Government (Miscellaneous Provisions) Act 1976
Halcrow/Manchester Formula.

Hackney Carriage Annual Fare Increase report to the Licensing and Appeals
Committee 23 January 2012.

Licensing and Appeals committee - Review of methodology for calculating the
hackney carriage fare report 21 January 2013

Licensing and appeals Committee - Review of methodology for calculating the
hackney carriage fare report 10 November 2014

Unmet Demand Survey December 2015- Early 2016

1. Hackney Carriage Fare Review

- 1.1 Members are aware that in relation to hackney carriage fares the Council has the power to fix the rates or fares within the district for time and distance, and all other charges in connection with the hire or with the arrangements for the hire of a vehicle. These should then be set out in a table of fares.
- 1.2 When setting the fares the legislation does not prevent the Council from taking into account any external factors, and there is no limit on the amount of increase or variation (subject to reasonableness).
- 1.3 Under the Council's Constitution fares are determined by the Executive. The Licensing and Appeals Committee (The Committee) Act in an advisory capacity to the Executive in relation to the hackney carriage fare review.
- 1.4 Manchester aims to provide the City with a world class fleet of hackney carriage vehicles. Manchester requires a high standard of hackney carriage vehicles that are fully wheelchair accessible, as oppose to the licensing of saloon vehicles. The hackney carriage fares have to be balanced to ensure proprietors are able to support the running costs associated with the 'higher standard' of vehicle required by the Council, but at the same time the fare should not be so high as to preclude use by passengers.

2. Background

- 2.1 By way of context in July 2002 the Licensing and Appeals Committee agreed a formula for the calculation of the running costs of a hackney carriage vehicle. The formula known as the 'Halcrow-Manchester Formula' was devised by Halcrow (CH2M); an independent company who reviewed the model formula used by the Public Carriage Office in London and developed a working model for Manchester.
- 2.2 This longstanding formula is a mathematical calculation, based on the average annual mileage of a hackney carriage vehicle in Manchester. Data and component parts are input to the formula on or after 1 December each year, which in turn calculates the annual cost of running a Manchester licensed hackney carriage vehicle. The running cost is then compared year on year, i.e. 1 December 2016 to 1 December 2017
- 2.3 Following a timely review of the methodology in 2012 the Committee agreed the following:
 - (i) The formula should no longer be the sole determinant for future hackney carriage fare reviews
 - (ii) The data and component parts of the current formula as revised should be used as one part of the hackney carriage fare review
 - (iii) In calculating any hackney carriage fare review consideration should be given to the current rate of inflation (currently determined by CPI)
 - (iv) In calculating any hackney carriage fare reviews, consideration should be given to comparable earnings related data

- (v) In calculating any hackney carriage fare reviews comparator fare information from other Core Cities and AGMA authorities should continue to be provided and;
- (vi) That any component of the formula would be reviewed at any time in particular to reflect any relevant change in policy or practice

3.0 Viability of Current Methodology

- 3.1 The current methodology used to review the hackney carriage fare has been used since 2012. It is considered timely to ensure this remains fit for purpose by way of a review.
- 3.2 A recent review of the current hackney carriage fleet has confirmed that Manchester has an ageing fleet, with the majority of vehicles being 9 years and over (due to the cost of purchasing a fully wheelchair accessible vehicle, they can remain licensed until they are 12 years of age, after which they can only remain licensed if they meet the Council's 'exceptional condition' criteria). This means that vehicles are likely to be replaced in the near future. The Manchester hackney carriage fleet has previously been made up of mostly London Style black cabs. This situation is changing; the new electric London style hackney carriages(black cab) is the only vehicle now in production and there has been an introduction of different make and model vehicles, that can now be licensed. (The Hackney Carriage Vehicle Policy is also currently under review which may or may not have a bearing on vehicles that are licensed onto the fleet in the future.
- 3.3 The current Halcrow/Manchester formula works on the running costs of a hackney carriage vehicle calculated from one year to the next (ie December to December). The formula was originally devised using only the London style black cabs as a reference. With the introduction of a more diverse make and models of vehicle, each part of the formula needs to be individually reviewed to ensure it is fit for purpose, should it continue to be used as a method of reviewing the hackney carriage fare.
- 3.4 In 2012 the Committee determined that the Halcrow/Manchester formula should not be taken in isolation, as outlined in paragraph 2.3 of the report, and introduced a range of additional elements. Each of these elements needs to be individually reviewed to be able to provide the Committee with sufficient information to determine, at a future date, what methodology should be used to be used to review the hackney carriage fare.
- 3.5 Every three years the Council commissions an 'Unmet Demand Survey'. This survey determines whether there is sufficient provision of hackney carriage vehicles in the City, mainly based on rank observations. With recent changes to the wider industry and cross border hiring, the context for such a review has changed and a key question now is whether any possible unmet demand is being met by the private hire industry. Furthermore, although the survey contains feedback from some user groups, it is considered that this is limited in its scope and value at present and there would be a benefit to gaining more detailed feedback from user groups on a range of issues, including the fares.

Therefore, it is proposed that unmet demand analysis should form part of a wider Taxi Licensing Survey that could be used by the Committee to inform both future hackney carriage fare reviews and future policy.

- 3.6 If Members agree, officers will provide a further report to the Committee by Autumn to outline the scope, frequency and defined outcomes of the Taxi Licensing Survey to be commissioned and conducted independently.

4. Frequency of Fare Reviews

- 4.1 The legislation states that the Council can review the fares but does not stipulate at what frequency they should be carried out. Our records show that since 2007 a review of the hackney carriage fare has normally taken place on an annual basis.

- 4.2 Previous years review outcomes are detailed below in table 1.

Calculation (uses previous years' figures)	Year Review implemented	Outcome of Review
December 2005 / 2006	2007	Increase 2.74%
December 2006 / 2007	2008	Increase 2.48%
December 2007 / 2008	2009	Increase 3.76%
December 2008 / 2009	2010	Increase 1.96%
December 2010 / 2011	2011	Increase 7.4%
December 2011 / 2012	2012	Increase 4.33%
No Review	2013	No change
December 2011 / 12/13	2014	-4.37% No change
December 2013 / 2014	2015	-5.23% No change
December 2014 / 2015	2016	-3.20% No Change
December 2015 / 2016	2017	6.43% increase in fare (no change in waiting time)

- 4.2.1 The table shows that in the years 2014 to 2016 the Halcrow/Manchester formula showed that the running cost of a vehicle in those years fell by -4.37% -5.23% and -3.20%. The decision by the Committee in these years was to recommend to the Executive that no change take place in the hackney carriage fare. The fare remained constant through these years. Passengers did not face a rise in the cost of fares and at the same time the cheaper running cost was of benefit to vehicle proprietors, due to the decision of the Committee not to recommend a reduction in the fares.

5. Additional Extras

- 5.1 Section 58 of the Town and Police Clauses Act 1847 and section 65 of the Local Government (Miscellaneous Provisions) Act 1976 make it an offence for a driver to charge more than the fare shown on the meter, plus any legitimate extras. It is important to show any additional extras on the fare card so as to inform passengers of the full cost of their journey.

- 5.2 Whist the recommendation in this report is to not review the present hackney carriage fare, at this time, there are some issues relating to the 'additional extras' displayed on the current fare card (a copy of which is attached to the report at **Appendix1**) that require immediate determination and recommendation to the Executive for action. Details of each individual matter is provided as follows:

5.3 Credit Card Charges

The current fare card advises passengers that they may be charged a 5-10% administration charge relating to credit card charges. Changes in legislation mean that such an administration charge cannot be applied and the Committee should note that this wording will therefore be removed.

5.4 Piccadilly Train Station Barrier Charge

Piccadilly train station charge a 40p barrier charge, currently shown on the fare card; this relates to hackney carriage vehicles accessing through the barrier to pick up passengers. Network Rail and APCOA Parking Ltd have stated an intention to increase the barrier charge to 60p, but have awaited the outcome of this fare review process before proceeding with the charge. The Committee are therefore asked whether to allow the additional 20p to be charged as an additional extra on the fare.

5.5 Manchester Airport Charges

Manchester Airport Group are introducing a barrier system at the Ground Terminal Interchange (GTI) also referred to as the 'Rail-link', in June 2018. The GTI has been operating with open access; this allows any and all vehicles to wait and there is a concern that this has led to congestion and is a potential security issue at this terminus location at the airport. As part of a wholesale review and numerous changes to the ground transport systems at the airport, the barrier will prevent access to all users except Hackney Carriages, Arrow Cars (who operate at the airport) and Buses. MAG intend to introduce a 60p charge for access through the barrier for Hackney Carriages. Hackney Carriages would still be able to access the GTI directly (without going through the airport feeder park) and if the Committee agree today will be able to charge as an additional extra, on parity with other barrier charges at stations and the airport.

6 Other legal implications

- 6.1 There are no additional legal implications to consider.

7. Key Policies and Considerations

(a) Equal Opportunities

Not applicable to the content of this report

(b) Risk Management

There are no risk management issues in relation to this report

(c) Legal Considerations

There are no legal considerations other than those already highlighted within the report.

8. Conclusion

- 8.1 The report provides information as to how a fare review is normally carried out and outlines the process.
- 8.2 The report advises that a review of the hackney carriage fares should not take place until a full review of the methodology into way in which hackney carriage fare has been completed. The reasons for this are outlined in section 3 of the report.
- 8.3 The report recommends that:
 - 1 The Committee agree to make a recommendation to the Executive that a Review of the Hackney Carriage Fares will not take place until a report is brought back to the Licensing and Appeals Committee, which includes:
 - a. A review the current methodology used by the Council to review the hackney carriage fare
 - b. An outline of a 'Taxi Licensing Survey' that will replace the current 'unmet demand survey'
 - 2. Pending the above review and report, the Committee agree to recommend to the Executive that the immediate changes are noted/made to the current fare card:
 - (i) To note the removal of the text, which relates to the administration charges for using a credit card.
 - (ii) Cost of the Piccadilly Station Barrier to increase from 40p to 60p
 - (iii) Introduction of a barrier charge at the Ground Transport Interchange (Rail-link at Manchester Airport) of 60p

Manchester City Council Report for Resolution

Report to: Licensing and Appeals Committee – 4 June 2018

Subject: Amendment to Hackney Carriage Fare Review 2018

Report of: Head of Planning, Building Control and Licensing

Summary

The report provides the Committee with additional information in relation to recommended changes to the Executive with regard to the Hackney Carriage Fare Review 2018. This information was not available from Manchester Airport Group prior to the original Report being published on 24 May 2018.

Recommendations

1. The Committee agree to recommend to the Executive (in additional to recommendations (i)–(iii) from the original report) that the following immediate change is made to the current fare card:
 - (iv) Introduction of drop off charge at Terminal drop off forecourts of £1.80.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	The hackney carriage fare is normally reviewed annually by the City Council and takes into account the cost associated with setting up and maintaining a business as a taxi proprietor/driver to ensure it is viable and sustainable. This strives towards security in driver jobs and a higher standard of vehicle. The standard of vehicles assists the performance of the regional economy in relation to the purchase and maintenance of vehicles.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not applicable to the contents of this report.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The fare report seeks to ensure that hackney carriage drivers and proprietors do not have to bear additional costs that they cannot recover through the fares, ensuring they can operate equitably and maintain access to all the ranks at

	various transport terminals, enabling our fully accessible transport offer to continue end to end.
A liveable and low carbon city: a destination of choice to live, visit and work.	<p>The consideration of hackney carriage fares should take into account the standard of living of those associated with taxi licensing and the cost to the 'taxi user'. Any increase in fares is a direct cost increase to service users. Any decrease in fares is a direct cost decrease for those associated with the taxi trade.</p> <p>There is currently no detailed evidence to support the public concept of the cost associated with hiring a hackney carriage vehicle. It is therefore proposed consideration be given that future Unmet Demand Surveys should be more inclusion in relation to public consultation.</p>

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue
None

Financial Consequences – Capital
None

Contact Officers:

Name: Danielle Doyle
Position: Licensing Unit Manager
Telephone: 0161 234 5004
E-mail: d.doyle@manchester.gov.uk

Name: Ann Marku
Position: Principal Licensing Officer
Telephone: 0161 234 5004
E-mail: a.marku@manchester.gov.uk

Background documents

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Hackney Carriage Fare Report – 4 June 2018

1. Additional Information

- 1.1. Further to the Hackney Carriage Fare Report June 2018 published on 24 May 2018, this amendment is submitted for additional consideration by the Committee.
- 1.2. Manchester Airport Group (MAG) has recently proposed changes to the drop off forecourts, and are implementing a new charging regime for all vehicles dropping off at their terminals, to be monitored by an ANPR system. These changes are due to go live mid-June 2018.
- 1.3. The charging system will be:
 - £3 for a drop off of up to 5 minutes
 - £4 for a drop off of 5 - 10 minutes
 - Disabled Blue Badge Holders (and vehicles carrying these passengers) will not have to pay the charge
 - All Commercial User Groups (Hackneys, Private Hire, Offsite Park & Ride etc.) will be able to apply for a 40% discount which would amount to charges of:
 - £1.80 for up to 5 minutes
 - £2.40 for 5 - 10 minutes
- 1.4. It was not realised by MAG that the Hackney Trade would not be able to pass on the additional charge to the customer without the change being considered as part of the Hackney Carriage Fare Review.
- 1.5. Following discussions with the Licensing Unit, MAG have clarified that they are unable to introduce a separate charging model for Manchester Hackney Vehicles and they consider it reasonable and equitable for all commercial users to be charged the same rates. MAG are keen to be consistent with all user groups.
- 1.6. MAG have been keen to point out that other airport drop off charges do not provide any level of discount for Taxis, and the objective of these changes is to address congestion and change customer behaviour to support this, by making it more attractive to access the free drop off zones within the airport.
- 1.7. MAG have however acknowledged that until any changes can be made to the Hackney Carriage Fare card, the trade face a period of time where they would be at a financial loss for dropping off at the terminal forecourt if this is where the customer would prefer. Therefore MAG have stated they will find an interim workaround to enable Manchester licensed Hackneys to access the drop off forecourts free of charge until early July 2018.

2. Considerations

- 2.1. Officers have considered the options for customer charges and have taken into account that it may be difficult for Hackney Carriage Drivers to determine and charge the correct amount prior to attending at the ANPR exit barrier.

2.2. It is considered that there may be considerable administration at excessive cost, if disputes arise from drivers applying the higher rate incorrectly and/or customers believing they are being charged the higher rate of £2.40 when they shouldn't be. As Hackney Carriage Drivers will be able to pass the cost on to the customer there is also a disincentive to move through the drop off area more quickly, working against the need to reduce congestion.

2.3. It is also considered that the risk of customers being longer than 5 minutes to exit the vehicle with their luggage and pay the fare is relatively low. Where customers have disabilities and may require more time, the charge will not apply in those circumstances.

3. Recommendation

3.1. In consideration of the above, it is recommended that an extra charge of £1.80 be introduced onto the Fare Card for drop off forecourts at the Airport.

4. Other legal implications

4.1 There are no additional legal implications to consider.

5. Key Policies and Considerations

(a) Equal Opportunities

Not applicable to the content of this report

(b) Risk Management

There are no risk management issues in relation to this report

(c) Legal Considerations

There are no legal considerations other than those already highlighted within the report.

6. Conclusion

6.1 The report provides additional information with regard to recommended changes to the Hackney Carriage Fare Card. The final position of MAG was confirmed after the Hackney Carriage Fare Review Report June 2018 was published.

6.2 The report recommends that the Committee agree to make a recommendation to the Executive (in addition to recommendations (i)–(iii) from the original report) that the following immediate change is made to the current fare card:

(iv) Introduction of drop off charge at Terminal drop off forecourts of £1.80.

Cab number

--	--	--	--

Public taxi fares and charges (effective from xxxx 2018)

Fares detailed below are the **MAXIMUM** fares that may be charged

Day (6am until 10pm)		Night (10pm until 6am) (Bank holidays and Good Friday 24hrs)	
381.1 yards (348.44 m) £2.30		First 230.39 yards (210.67m) £2.80	
Then for every 178.96 yards 20p (163.6 m) or part thereof		Then for every 134.4 yards 20p (122.9m) or part thereof	
Waiting time every 38.89 secs 20p (£3.20 per 10 mins, £18.60 per hour)		Waiting time every 29.29 secs 20p (£4.00 per 10 mins, £24.60 per hour)	
Extras			
Christmas / New Year		Night rate plus 50%	
8pm on 24 December until 6am on 27 December			
8pm on 31 December until 6am on 2 January			
For each passenger additional to hirer		20p	
Fouling charge		£30.00	
Piccadilly Station Charge			
For journeys through Piccadilly Station taxi rank barrier		60p	
Manchester Airport Charge			
Barrier charge at Ground Transport interchange (rail link)		60p	
Pick up at any airport taxi rank		£1.60	
Average Cost (not including any waiting time)			
Day		Night	
1 mile (1.6km)	£ 3.90	7 miles (11.3km)	£15.70 £20.80
3 miles (4.8km)	£ 7.90	9 miles (14.5km)	£19.70 £26.20
5 miles (8.0km)	£11.90	10 miles (16.1km)	£21.70 £28.80

Upfront payments – drivers may ask you to pay a nominal deposit up front to provide assurance of payment.

All fares should be charged at meter fare, UNLESS destination falls outside the Greater Manchester County or four miles from the nearest point of the city boundary. If the destination falls outside the above area, the fare should be negotiated with the driver before commencement of the journey. If the fare is not negotiated before commencement, the meter fare ONLY should be charged.

FOR COMPLAINTS:

Please complete the online form at www.manchester.gov.uk/taxi

Alternatively Email taxi.complaints@manchester.gov.uk or Telephone: 0161 234 5004 or write to Taxi Compliance, Licensing Unit, PO Box 532, Manchester M60 2LA

Cab number

--	--	--	--

Public taxi fares and charges (effective from xxxx 2018)

Fares detailed below are the MAXIMUM fares that may be charged

Day (6am until 10pm)				Night (10pm until 6am) (Bank holidays and Good Friday 24hrs)			
381.1 yards (348.44 m)		£2.30		First 230.39 yards (210.67m)		£2.80	
Then for every 178.96 yards				Then for every 134.4 yards		20p	
20p (163.6 m) or part thereof				(122.9m) or part thereof			
Waiting time every 38.89 secs				Waiting time every 29.29 secs		20p	
20p (£3.20 per 10 mins, £18.60 per hour)				(£4.00 per 10 mins, £24.60 per hour)			
Extras							
Christmas / New Year						Night rate plus 50%	
8pm on 24 December until 6am on 27 December							
8pm on 31 December until 6am on 2 January							
For each passenger additional to hirer						20p	
Fouling charge						£30.00	
Piccadilly Station Charge							
For journeys through Piccadilly Station taxi rank barrier						60p	
Manchester Airport Charge							
Barrier charge at Ground Transport interchange (rail link)						60p	
Drop off at any terminal						£1.80	
Pick up at any airport taxi rank						£1.60	
Average Cost (not including any waiting time)							
		Day	Night			Day	Night
1 mile	(1.6km)	£ 3.90	£ 5.20	7 miles (11.3km)	£15.70	£20.80	
3 miles	(4.8km)	£ 7.90	£10.40	9 miles (14.5km)	£19.70	£26.20	
5 miles	(8.0km)	£11.90	£15.60	10 miles (16.1km)	£21.70	£28.80	

Upfront payments – drivers may ask you to pay a nominal deposit up front to provide assurance of payment.

All fares should be charged at meter fare, UNLESS destination falls outside the Greater Manchester County or four miles from the nearest point of the city boundary. If the destination falls outside the above area, the fare should be negotiated with the driver before commencement of the journey. If the fare is not negotiated before commencement, the meter fare ONLY should be charged.

FOR COMPLAINTS:

Please complete the online form at www.manchester.gov.uk/taxi

Alternatively Email taxi.complaints@manchester.gov.uk or Telephone: 0161 234 5004 or write to Taxi Compliance, Licensing Unit, PO Box 532, Manchester M60 2LA