

**Manchester City Council
Report for Resolution**

Report to: Licensing and Appeals Committee – 17 February 2014
Subject: Hackney Carriage Fare Review - 2014/15
Report of: Head of Planning, Building Control and Licensing

Summary

The Committee is presented with the attached report to be considered by Executive on 12 March 2014

The report to Executive outlines the determination made by the Licensing and Appeals Committee in January 2013 that the following factors were to be taken into account when reviewing the hackney carriage fare:

- (i) In calculating any hackney carriage fare review consideration should be given to the current rate of inflation (currently determined by CPI)
- (ii) In calculating any hackney carriage fare reviews consideration should be given to comparable earnings related data
- (iii) In calculating any hackney carriage fare reviews comparator fare information from other Core Cities and AGMA authorities should continue to be provided

The report to Executive details the statutory provisions in relation to the advertising of any changes to the current hackney carriage fare and advises the Executive of the decision making process

The report to Executive includes information from hackney carriage trade representatives and individual trade members in relation to the hackney carriage fare review.

Recommendations

1. That the Licensing and Appeals Committee considers the content of report to Executive and especially the key issues highlighted in **Appendix 7** of the report and makes representations to the Executive in relation to the review of the current hackney carriage fare for the year April 2014 to April 2015.

**Manchester City Council
Report for Resolution**

Report to: Licensing and Appeals Committee – 17 February 2014
Executive – 12 March 2014

Subject: Hackney Carriage Fare Review - 2014/15

Report of: Head of Planning, Building Control and Licensing

Summary

The report covers the review of the hackney carriage fare having regard to the recommendations, as set out below, made by the Licensing and Appeals Committee on 21 January 2013. The report provides the Executive with the data used in the Halcrow-Manchester formula, (a mathematical calculation, which is based on the annual mileage of a hackney carriage vehicle in Manchester), which is used to calculate the annual cost of running a Manchester licensed hackney carriage vehicle.

In January 2013 the Licensing and Appeals Committee recommended that the following factors should be taken into account when reviewing the hackney carriage fare:

- (i) In calculating any hackney carriage fare review consideration should be given to the current rate of inflation (currently determined by CPI)
- (ii) In calculating any hackney carriage fare reviews consideration should be given to comparable earnings related data
- (iii) In calculating any hackney carriage fare reviews comparator fare information from other Core Cities and AGMA authorities should continue to be provided

This report details the statutory provisions in relation to the advertising of any changes to the current hackney carriage fare and advises the Executive of the decision making process

The report includes information from hackney carriage trade representatives and individual trade members in relation to the hackney carriage fare review.

Recommendations

1. That the Executive considers the content of the report and the representations made by the taxi trade.
2. That the Executive also takes into consideration any representations made by the Licensing and Appeals Committee of 17 February 2014 and determines if any changes to the current hackney carriage fare for the year April 2014 to April 2015 are required

3. That following consideration by the Executive, officers apply any changes recommended to the current hackney carriage fare tariff and advertise and display the same in accordance with the relevant legislation.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The hackney carriage fare is 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. 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
Reaching full potential in education and employment	An increase in fares should maintain the income of taxi drivers and owners at a comparable rate to average earnings. This aims to maintain a professional aspect to taxi driving and seeks to encourage taxi drivers to commit to further education i.e. NVQ for taxi drivers, and job security
Individual and collective self esteem – mutual respect	Not applicable to the content of this report
Neighbourhoods of Choice	Any increase in fares, whilst required to maintain the standard of living of those associated with taxi licensing should also take into consideration the cost to the 'taxi user'. Any increase in fares is a direct cost increase to service users.

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

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Background documents

Report of Licensing and Appeals Committee 1 October 2012
Report of Licensing and Appeals Committee 21 January 2012
Report of Licensing and Appeals Committee 20 February 2006
Report of Licensing and Appeals Committee 20 January 2010

1. Introduction

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that the City 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 of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table of fares, made or varied.
- 1.2 When setting hackney carriage fares there is no requirement under the Act to take into account external factors, and there is no limit on the amount of increase or variation.
- 1.3 Under the Council's Constitution fare increases are determined by the Executive. Prior to consideration by the Executive the Licensing and Appeals Committee has been asked to consider and make any representations in relation to the hackney carriage fare review.
- 1.4 Any change in fares agreed by the Executive must be advertised and displayed publicly for a period of 14 days before the change takes effect.
- 1.5 If there are no objections, within the period prescribed for making objections, the fares would come into effect on 1 May 2014. If objections are raised the matter will be referred back to the Licensing and Appeals Committee for consideration and any further representations will then be made to the Executive. Having considered the objections and any representations made by the Licensing and Appeals Committee regarding the objections the Executive will be asked to agree an implementation date of 1 July 2014 for any fare changes to take effect.
- 1.6 Table 1 below indicates the proposed timetable for implementation:

Table 1 – Timetable for Implementation of Fare Increase:

17 February 2014	Licensing and Appeals Committee
12 March 2014	Executive Committee
17 March 2014	Public notice in Manchester Evening News for fare review 14 day consultation period
31 March 2014	End of consultation period. Where no objections are received the fare (with or without changes) automatically take effect on 1 May 2014
16 June 2014	Where objections are received the matter is re-considered by the Licensing & Appeals Committee who make representations to Executive (18 June).
18 June 2014	Executive consider representations and make final decision
1 July 2014	New fares take effect. The implementation date cannot be more than 2 months of the implementation date as stated in the public

	notice (1 May 2014) The implementation date reflects the time required for fare cards to be printed.
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2. Background

- 2.1 On 29 July 2002 the Licensing and Appeals Committee agreed a formula for the calculation of increased taxi costs. The formula known as the 'Halcrow-Manchester Formula' was devised by Halcrow, an independent company who provide advice across the public and private sector. Halcrow reviewed the model formula used by the Public Carriage Office in London to calculate increases in the hackney carriage fare card and developed a working model for Manchester (Halcrow Manchester Formula).
- 2.2 The Halcrow formula is a mathematical calculation, which is based on the annual mileage of a hackney carriage vehicle in Manchester. Data and component parts are in-putted into the formula, which in turn calculates the annual cost of running a Manchester licensed hackney carriage vehicle.
- 2.3 At its meeting on 1 October 2012 the Licensing and Appeals Committee instigated a review of the methodology used to calculate hackney carriage fare reviews.
- 2.4 On 21 January 2013 the Licensing and Appeals Committee considered the way in which hackney carriage fare reviews should be conducted and agreed the following;
- (i) A formula should no longer be the sole determinant for future hackney carriage fare reviews
 - (ii) The data and component parts of the current Halcrow Manchester calculation 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
 - (vi) That any component of the formula can be reviewed at any time in particular to reflect any relevant change in policy or practice.

3. Data and component parts of the current Halcrow Manchester Calculation

- 3.1 Following completion of the review of Manchester City Councils hackney carriage vehicle policy, the data sources, component costs and assumptions used in the Halcrow–Manchester formula have been updated, to reflect the policy changes, in particular the variety of vehicles now licensed by the City Council. A copy of the updated data sources, component costs and

assumptions have been provided within **Appendix 1** attached to the report. Please note that Appendix 1 detail changes to data sources due to changes outside the Councils control.

4 Current Rate of Inflation

- 4.1 The current rate of inflation using the Consumer Price Index (CPI) is 2.0%. This data has been sourced from the Officer of National Statistics (dated 14 January 2014)

5 Comparable earnings related data

- 5.1 The current annual full time employee earnings is £27174, which compared against last years figure of £26664 provides a 1.91% increase.

6. Halcrow Manchester Formula

- 6.1 The formula has been used to calculate the annual cost of running a Manchester licensed hackney carriage vehicle.
- 6.2 The data in table 2 below has been calculated using the component, data source and assumptions that were updated to reflect the changes made following last years review of Manchester hackney carriage vehicle policy.

Table 2 - Halcrow Manchester Formula calculation:

Component on index	Total Costs 2011	Total Costs 2012	Total Costs 2013
Vehicle Cost	6271	7287	6783
Parts	3371	3438	3438
Tyres	461	397	397
Garage & Servicing - Labour	936	938	934
Fuel	3699	4650	4632
Insurance	2518	2773	2425
Miscellaneous	472	504	505
Total Operating Costs	18178	19987	19115

Comparison of Operating Costs between 2011, 2012 and 2013	
2012-2013	-4.37%

2011-2012	9.95%
2011-2013	5.15%

- 6.3 As there was no fare review for April 2012/13 calculations have been made by using the figures from the Halcrow–Manchester formula from the last fare review in 2011 and comparing with figures for 2013, which indicates a 5.15% increase in running cost between 2011 and 2013.
- 6.3.1 Using the same approach a comparison between 2011-2012 shows a 9.95% increase in annual running costs, whilst the figures for 2012-13 show a decrease in the annual running cost of -4.37%.

7. Core Cities & AGMA Comparison

- 7.1 The current cost of a 2-mile journey on tariff 1 and tariff 2 in a Manchester licensed hackney carriage vehicle has been compared with the Core Cities and AGMA (Association of Greater Manchester Authorities) as shown in Appendix 2. The final right hand column of Appendix 2 indicates the year the current fares were introduced in each local authority.
- 7.2 The data in Appendix 2 shows that current cost of a 2 mile daytime journey in Manchester is £5.60 this is 7.1% less than the £6.00 average cost of a 2 mile journey as compared with the Core Cities. The current cost of a 2 mile nighttime journey in Manchester is 7.40, which is 5.7% more than the £7.00 average cost of a 2 mile nighttime journey within the Core Cities.
- 7.3 In relation to the AGMA regions Appendix 2 shows that current cost of a 2 mile daytime journey in Manchester is £5.60 this is 7.6% more than the £5.20 average cost of a 2 mile daytime journey within the AGMA regions. The current cost of a 2 mile nighttime journey in Manchester is £7.40, which is 8.8% more than the £6.80 average cost of a 2 mile nighttime journey within AGMA
- 7.4 The night-time rate in Manchester is set at a significant premium to the day rate to encourage more drivers to work at night and to offset the costs on the hackney carriage fee used to fund the Taxi Marshall Service provided at key city centre ranks.
- 7.5 Officers have applied the current cost of an hour waiting time for Manchester and compared this with the cost of an hour waiting time for the Core Cities and AGMA regions. This information is provided within **Appendix 3**, attached to the report.
- 7.6 **Appendix 3** shows that the average hourly daytime waiting time for the Core Cities is £16.90, whilst the average hourly night-time waiting time is £18.50. The current Manchester Formula arrives at a daytime hourly waiting time of £18.60, which is 10.05% more than the Core City average and a night-time hourly waiting time of £24.60, which is 32.97% more than the Core City average. This places Manchester's hourly waiting time significantly above the core city average.

7.7 The average hourly daytime waiting time for the AGMA Authorities is £15.04, whilst the average hourly night-time waiting time is £16.88. The current Manchester Formula arrives at a daytime hourly waiting time of £18.60, which is 23.67% more than the average and a night-time hourly waiting time of £24.60, which is 45.73% more than the average. This places Manchester's hourly waiting time significantly above the AGMA average.

8 Hackney Carriage trade Consultation Responses

8.1 On 24 December 2013 approximately 1800 current hackney carriage drivers and trade representatives were e-mailed and asked for their comments in relation to the 'fare review' as a whole and the 'additional extras' that are included in the fare card.

8.2 On 27 December 2013, a letter was received from Unite the Union (UNITE). A copy of the letter is attached to the report at **Appendix 4** and requests the following:

- (i) That Manchester licensed hackney carriage drivers should be allowed to recover the full cost of operation at the Manchester Airport barrier and Manchester Piccadilly Station Taxi rank barrier.
- (ii) The fuel surcharge should be included as an item in the general fare formula, as was the case in the previous years

8.3 On 10 January 2013, a letter was received from the Taxi Owner and Driver Association (TODA). A copy of the letter is attached to the report at **Appendix 5** and requests the following:

- (i) That Manchester licensed hackney carriage drivers should be allowed to recover the full cost of the Piccadilly station barrier charge.
- (ii) That Manchester licensed hackney carriage drivers should be allowed to recover an amount more than the current allowed 70p of a £1.60 barrier charge at Manchester Airport

8.4 Other comments were received (names and e-mail addresses have been supplied to the Licensing Unit). These have been re-produced verbatim as follows:

- (i) As you are reviewing the fares. I would like these fares to stay where they are but would like the Piccadilly charge to go up on fare card as we are paying £0.40 each pick up we do but charging customer only £0.20. And I would like personally to suggest abolish Tariff 3 and 4. Just simplifies it with Tariff 1 or Tariff 2. On bank holidays and festive holidays Tariff 2 will do and it will be easy for the customer to understand as well. Thanking you in advance for your consideration.

- (ii) There is no need to increase the fare. There are already limited passengers. An increase in fare will only lead to a decrease in passengers.
- (iii) It is highly request from the most Professional taxi drivers please do not increase the taxi fare not even extras.

There are a number of private hire forms who are offering different type of discount so already we can not compete there prises and more over then Rossendale drivers they all hit very badly our trade. If you have any enquire please do not hesitate to write or email us.

- (iv) I think we should stick to old fares
- (v) With reference to the above. Could I state that the following is a personal statement and is not made on behalf of any affiliated body of the ' Taxi Trade'. Having just worked the Christmas and New Year period I am concerned at the Tariff 4 rate which has been set by Manchester Licensing and has operated throughout both periods. Not only has the rate (I believe) been set too high but also its length of operation extending to 06-00hrs on the following day of the bank holidays is (I believe) too long a period.
Many prospective passengers when faced with the estimated clocked fare given to them before the driver undertook the journey were unhappy. It also left some drivers embarrassed when asked to quote journeys.
Whilst I understand that it is the driver's entitlement to operate under these conditions, some drivers feel that perhaps there should be a rethink into the way these figures have been arrived at.
One such solution to the problem of exorbitant fares arising on Bank and Public Holidays is to do away with Tariff 3&4 altogether. This could be replaced by a small increase to the everyday running rate on Tariff 1&2 throughout the year. By adopting this method of building up your earnings over the full year and not just swell them disproportionately at Christmas and New Year may encourage more passengers to use cabs on the existing traditional expensive days. It would also have the advantage of not discriminating against the other traditional holy festivals such as Eid and Hannukkah and bring fares into line in a society best described as Multicultural, as all holy festivals would carry the same running rates and be of equal importance.

9. Officer Comments

9.1 The current relevant tariffs referred to above are:

- Tariff 1 = Daytime tariff (6am until 10pm)
- Tariff 2 = Nighttime (10pm until 6am)

- Tariff 3= Bank holidays and Good Friday (24 hrs) – Nighttime tariff applies
- Tariff 4 = Christmas and New Year (8pm 24 December until 6am 27 December and 8pm 31 December until 6am 2 January) Night tariff plus 50% applies.

9.1.1 For reference a copy of the current hackney carriage fare card is attached to the report at **Appendix 6**.

9.2 In relation to any changes in the current Christmas/New year tariffs the Committee should also take into consideration that an incentive may be required to ensure taxis are available in unsocial hours (including bank and other public holidays). Christmas and New Year are public holidays, which differentiate them from Eid and Hannukkah.

9.3 The 50% fare increase for Christmas and New Year was introduced following the 2006 fare review. It has not been reviewed since that date.

9.4 With reference to the changes to the tariff at 6am (bank holidays and nighttime) (see para 8.4(v)) . The nighttime tariff was extended from 5am to a 6am finish following a request from Unite the Union made on 7 January 2010. Unite felt that the introduction of flexible licensing hrs merited the night rate continuing until 6am.

9.5 A fuel surcharge, shown in the current fare tariff as an 'Extra' was introduced in 2011, when the cost of diesel was fluctuating. The cost of diesel has now stabilised.

9.6 To assist the decision making process, Officers have compiled a list of key issues for consideration. These are attached to the report at **Appendix 7**

10 Other legal implications

10.1 There are no additional legal implications to consider.

11 Contributing to the Community Strategy

11.1 (a) Performance of the economy of the region and sub region

11.1.1 The hackney carriage fare is 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. 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

11.2 (b) Reaching full potential in education and employment

11.2.1 An increase in fares should maintain the income of taxi drivers and owners at a comparable rate to average earnings. This aims to maintain a professional

aspect to taxi driving and seeks to encourage taxi drivers to commit to further education i.e. NVQ for taxi drivers, and job security

11.3 (c) Individual and collective self-esteem – mutual respect

11.3.1 Not applicable to the content of this report

11.4 (d) Neighbourhoods of Choice

11.4.1 Any increase in fares, whilst required to maintain the standard of living of those associated with taxi licensing should also take into consideration the cost to the 'taxi user'. Any increase in fares is a direct cost increase to service users

12. 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

13. Conclusion

13.1 The report details the data and information required by the Executive in order to come to a decision regarding the review of the hackney carriage fare. In particular the report details the following key elements:

- a) The comparable earnings related data indicates a 1.91% increase
- b) Between 2012/13 the annual cost of running a Manchester licensed hackney carriage has seen a decrease of -4.37%. However this should be considered in conjunction with an increase in running costs in 2011/2012 of 9.95% and an overall increase of 5.15% from 2011 to 2013. .
- c) The current rate of inflation using the Consumer Price Index is 2%
- d) The current cost of an average daytime fare on tariff 1 in Manchester (calculated over a distance of 2 miles) is 7.1% less than in the Core Cities but 7.6% more than in the AGMA regions.

- e) The current cost of an average nighttime fare on tariff 2 in Manchester (calculated over a distance of 2 miles) is 5.7% more than in the Core Cities and 8.8% more than in the AGMA Regions.
- f) The current average cost of waiting time for a Manchester fare (calculated over 1 hour) is significantly higher than the average waiting time in the Core Cities and AGMA regions for both the day (10.05% and 23.67%) and nighttime (23.67% and 45.73%)
- g) Consideration of the representations made by Trade Bodies and individuals.

13.2 The Executive are also asked to consider all of the above in addition to the minutes of the Licensing and Appeals Committee on 17 February 2014, which sets out the representations of that Committee.

Halcrow-Manchester Data Source and Assumptions

Formula		
The formula is based on the annual mileage of hackney carriage vehicle in Manchester 30000 Miles per annum		
Component	Data Source	Assumptions
Vehicle Cost	London Taxi Company (LTC) Peugeot Mercedes	Vehicle costs are included for: Purchase new and run to scrap Purchase new and sell at 4 years Purchase at 4 years and sell at 8 Purchase at 8 and run to scrap Vehicle cost, HP rate and monthly payments Vehicle cost, HP rate and monthly payments
Parts	LTC	*LTC vehicle parts *Due to the small number of other types of vehicles on fleet LTC figures have been used.
Tyres	Lowest Priced supplier	lowest priced supplier Maxus tyre(inc fitting) from Mann and Overton, Calculated using the tyre life formula assumption
Garage & Servicing – Labour	Office of National Statistics	This is obtained from the Annual Survey of Hours and Earnings (ASHE) via www.ons.gov.uk . Typically provisional figures are only available at this time and therefore these are used for the formula. The data is obtained from Table 14.6a Hourly Pay – All employees. The median % change for Vehicle Technicians, Mechanics and Electricians (5231) is used and applied to the previous years value
Fuel	AA	Vehicle mileage of 30,000 miles per annum

		Directly related to the annual mileage (30,000) Price is running cost of diesel car of value £24,000 to £32,000 (SUM 30000/100%*diesel) Running cost Dec 2011 at 14.27 pence per mile with fuel at £130.7 pence per litre
Insurance	AA Insurance index	Westminster Insurance were unable to provide an insurance quote for 2013 or 2012 the AA Insurance Index has therefore been used. The taxi insurance quote obtained in 2011 has been used as a baseline and then the BIPI Motor Movements by Region – Granada direct shoparound movements have been applied.
Miscellaneous	Licensing Unit	For clarification purposes this is the annual cost of renewal licences for a hackney carriage driver and hackney carriage vehicle [2 tests] (when the original Halcrow Manchester formula was devised all vehicles were subject to 2 tests per year, this is no longer the case)

Core Cities & AGMA Fare Comparison

The table below compares (in increasing order based on Tariff 1) the current cost of a 2 mile journey in a Manchester hackney carriage vehicle, calculated on tariff 1 Day and tariff 2 Night as compared with the same journey within the Core Cities and AGMA Authorities. The table also indicates the last time fares were increased in the individual Authorities

Council	Day-time Tariff 1		Night-time Tariff 2		Last Increased
	Flag Fall	2 Miles	Fla g Fall	2 Miles	
London	2.40	7.60	2.4 0	8.80	2013
Leeds	2.20	6.20	3.0 0	7.20	2012
Bristol	2.60	6.20	3.4 0	7.60	2013
Nottingham	2.00	6.00	2.0 0	6.00	Feb-09
Newcastle	2.40	5.80	2.4 0	6.40	2010
Birmingham	2.20	5.20	2.4 0	7.00	2012
Sheffield	2.60	5.70	3.1 0	6.30	2010
Manchester Current	2.30	5.60	2.8 0	7.40	2012
Liverpool	2.20	5.00	2.7 5	6.20	Nov-11
Average 2 mile journey		6.00		7.00	

Council	Day-time		Night-time		Last Increased
	Flag Fall	2 Miles	Flag Fall	2 Miles	
Stockport	2.00	5.80	2.60	8.60	2013
Manchester Current	2.30	5.60	2.80	7.40	2012
Tameside	2.00	5.60	2.70	7.00	2012
Oldham	1.60	5.40	1.60	6.40	2012
Salford	2.40	5.28	3.00	6.60	2012
Bolton	2.00	5.20	2.60	6.00	2012
Bury	1.90	5.20	2.30	6.20	2008
Trafford	2.00	5.10	2.00	6.80	2011

Wigan	1.80	5.10	2.25	6.30	2011
Rochdale	1.80	3.00	1.80	6.00	2011
Average 2 mile journey		5.20		6.80	

Data source: Private Hire Monthly – December 2013 and Individual Authority Fare Cards

Core Cities & AGMA Hourly Waiting Time Comparison

(Compared as a percentage difference from the average day and night waiting time)

City	Day	% Difference from Average	Night	% Difference from Average
London	18.80	11.24%	21.60	16.75%
Bristol	18.00	6.56%	23.20	25.40%
Newcastle	23.40	38.46%	20.00	8.10%
Manchester Current	18.60	10.05%	24.60	32.97%
Birmingham	15.80	-6.96%	18.00	-2.77%
Nottingham	15.00	-12.6 %	17.20	-7.55%
Liverpool	18.30	8.28%	18.30	-0.10%
Sheffield	13.30	-27.06%	13.30	-39.09%
Leeds	10.20	-65.68%	10.20	-81.37%
Average	16.90		18.50	

Council	AGMA			
	Day	% Difference from Average	Night	% Difference from Average
Manchester Current	18.60	23.67%	24.60	45.73%
Stockport	14.40	-4.26%	14.40	-14.69%
Trafford	16.20	7.71%	16.20	-4.03%
Bury	16.00	6.38%	16.00	-5.21%
Rochdale	12.00	-20.21%	12.20	-27.73%
Tameside	14.40	-4.26%	17.20	1.90%
Bolton	14.40	-4.26%	14.40	-14.69%
Oldham	16.00	6.38%	16.00	-5.21%
Salford	8.00	-46.81%	12.00	-28.91%
Wigan	12.50	-16.89%	15.80	-6.39%
Average	15.04		16.88	

Source: Individual Authority Fare Cards sourced in December 2013



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Manchester City Council
Albert Square
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Sub: **Hackney Carriage Fare Review 2013 Unite the Union Proposal**

Dear Ann,

Thank you for your e-mail regarding the upcoming Taxi fare review 2014/15.

We in the Unite the Union accept the changes agreed to the Halcrow/Manchester formula by the Licensing and Appeals Committee regarding in particular the annual fuel cost based on the average mileage of 30,000 as opposed to 35,000 miles, and we also accept the other changes regarding the introduction of the new vehicles and changes to pricing of parts and service as well. However We have two outstanding issues regarding the meter fare extras which we have brought to the attention of then the Exact. Member of the Licensing and Appeals Committee and Licensing Unit Manager Jenette Hicks. These are regarding the Manchester Airport barrier fee as well as the Manchester Piccadilly Station barrier charge which has been increased by 100% by the Network Rail.

During a presentation delivered by an invited taxation expert from the Manchester based accountancy firm, Deloitte and Touth. it was brought to our attention that the full cost to operate through the rail and airport terminus can be recouped and that this would be taxed as normal income. At present, the drivers working full time at the Manchester Airport are being charged £1.60p per journey and can only recoup £0.70 per journey and end up losing at average £4/5.00 daily for working from Airport Terminal Ranks. The Piccadilly station taxi rank barrier currently charges are 0.40p where the drivers is only allowed 0.20p to recoup. In light of the findings from the presentation, we feel our members have suffered unnecessary losses in income over the past few years and are continue to suffer the losses on daily bases in particular at the Manchester Airport and feel it is unfair to have to work in a state of uncertainty with respect to which costs and at what level can and can't be recovered.

We wrote to the executive member for environmental health, councillor N. Murphy and the licensing unit manager, Ms J. Hicks regarding our concerns. In response, we were informed these

issues could be considered in the next fare review.

Following are our proposals for the this fare review;

- 1) We feel that Manchester licensed hackney carriage drivers should be allowed to recover the *full* cost of operation at the Manchester Airport barrier and Manchester Piccadilly Station Taxi rank barrier.
- 2) We the fuel surcharge should be included as an item in the general fare formula, as was the case in the previous years

These are the items our branch members felt most strongly about and wished to be raised with yourself and the Licensing and Appeals sub-Committee. I hope you will take our proposals into consideration when compiling the items for the next fare review and we look forward to hearing back from you. Many Thanks and with.....

Kind Regards

Khalil Ahmad
Unite the Union (Branch Chair NW191)

TAXI OWNERS AND DRIVERS ASSOCIATION CITY OF MANCHESTER

RAYNESWAY, BROUGHTON ST. MANCHESTER M8 8NN

Email: sean.kenny@taxiownersmanchester.co.uk

Friday, January 10, 2014

Re: Fare Increase

Dear Ann

I hope you are well and wish you a Happy New Year.

The Association requests that the Piccadilly station barrier charge which has recently risen by 100% to 40p per journey be allowed to be recovered in full by the hackney carriage drivers through an extra on the fare card. As you are aware the charge has historically been allowed to be recovered in full since its implementation, thanks to the Committee's wisdom in recognising that the expense is an excessive burden on the driver paying the fee; possibly up to 15 times in a 12 hour shift, yet the for even the most regular passenger it is at worst a once a day increase of 20p.

Likewise for the reason outlined above; that the expense is an excessive burden on the driver paying the fee, we request that the Committee considers allowing hackney carriage drivers at Manchester Airport to recover an amount more than the current allowed 70p of a £1.60 barrier charge there. We leave the amount to be determined by the Committee.

Please note that while we are asking for these fees to be allowed to be recovered, we do not in principle support the fact that drivers have to pay a fee at all and then recover it from the passenger. We have these fees enforced upon us and have little alternative but to pay them or not work at these locations which is unfeasible as they are the two busiest taxi ranks in the city. The case of Manchester Airport is particularly objectionable where the City Council maintains a controlling stake and benefitted in the amount of £26m in dividends in 2013, the simple hackney carriage driver has to contribute 90p out of every journey he undertakes there, perhaps the City Council could use its influence there to have the fee reduced?

Kind regards
Sean Kenny

**Public taxi fares and charges
(effective from 1 June 2012)**

Cab number

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

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Day (6am until 10pm)

404.52 yards (370.81m)
£2.30

Then for every 190.45 yards **20p**
(174.15m) or part thereof

Waiting time every 38.89 secs 20p
(£3.20 per 10 mins, £18.60 per hour)

**Night (10pm until 6am)
(Bank holidays and Good Friday 24hrs)**

First 245.19yards (224.2m) **£2.80**

Then for every 143.03 yards 20p
(130.79m) or part thereof

Waiting time every 29.29 secs **20p**
(£4.00 per 10 mins, £24.60 per hour)

Extras

Christmas / New Year

8pm on 24 December until 6am on 27 December

8pm on 31 December until 6am on 2 January

**Night rate
plus 50%**

For each passenger additional to hire

20p

For each article of luggage carried outside the passenger compartment

20p

For journeys through Piccadilly Station taxi rank barrier

20p

Fuel surcharge (per journey)

20p

(to be added if the price of diesel is £1.39 per litre or above)

For journeys from Manchester Airport through barrier

70p

Fouling charge

£30

Some taxis accept credit or debit cards typically with a surcharge of 10-15%

Average Cost (not including any waiting time)

		Day		Night	
		Day	Night	Day	Night
1 mile	(1.6km)	£ 3.80	£ 5.00	7 miles (11.3km)	£15.00 £19.80
3 miles	(4.8km)	£ 7.60	£ 10.00	9 miles (14.5km)	£18.60 £24.80
5 miles	(8.0km)	£11.20	£14.80	10 miles (16.1km)	£20.40 £27.20

Upfront payments – drivers may ask you to pay an estimated fare/deposit up front. If you do not agree, you may be refused travel.

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 CONTACT:

Taxi Licensing Business Unit, PO Box 271, Manchester M18 8YU

Telephone: 0161 234 5004 Email: taxi.licensing@manchester.gov.uk Fax: 0161 274

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Key Issues for Consideration

1	Overall % increase/decrease in tariff rate having regard to the annual running cost of a hackney carriage and the external factors
2	Any changes to tariff operational times <ol style="list-style-type: none">1. Tariff 1- daytime2. Tariff 2 nighttime3. Tariff 3 Bank holidays and Good Friday4. Tariff 4 Christmas and New year
3	Changes to barrier charges for Piccadilly and the Airport
4	Changes to waiting time <ol style="list-style-type: none">1. Daytime2. Nighttime
5	Whether the fuel surcharge should be; <ol style="list-style-type: none">1. Amended – level of surcharge/ implementation price2. Retained