

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)	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
	Peugeot	Vehicle cost, HP rate and monthly payments
	Mercedes	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 mean% 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

Core City	Flag	Tariff 1 (Day)			Running Mile	Flag	Tariff 2 (Night)		Running Mile	Last Reviewed	
		1 Mile	3 Miles					1 Mile			3 Miles
London	2.40	4.60	9.80	1	2.55	2.40	5.20	11.60	1	3.89	Apr 14
Birmingham	2.20	4.40	8.00	2	1.80	2.40	4.80	8.80	4	2.04	2012
Bristol	2.60	4.40	8.00	2	1.80	3.40	5.40	9.80	3	2.20	Oct 13
Newcastle	2.40	4.00	7.60	3	1.76	2.40	4.40	8.40	6	2.04	Sept 14
Leeds	2.40	4.20	7.60	3	1.59	3.00	5.00	8.60	5	1.55	May12
Manchester Proposed no change	2.30	3.90	7.50	4	1.85	2.80	5.10	10.10	2	2.46	July 14
Nottingham	2.00	3.80	7.40	5	1.80	2.00	4.00	8.00	8	1.95	Nov 11
Sheffield	2.60	4.10	7.10	6	1.53	3.10	4.60	7.60	9	1.53	Aug 13
Liverpool	2.20	3.60	6.60	7	1.52	2.75	4.50	8.25	7	1.90	2011
Average 3 mile journey			7.73		2.55			9.01			
Council	AGMA										
Stockport	2.00	3.40	8.20	1	2.46	2.60	4.00	8.80	5	3.28	2013
Oldham	1.60	3.40	7.60	2	2.15	1.60	3.85	8.95	4	2.59	Oct 12
Tameside	2.00	3.60	7.60	2	2.01	2.70	4.50	9.50	2	2.51	2012
Manchester Proposed no change	2.30	3.90	7.50	3	1.85	2.80	5.00	10.10	1	2.46	July 14
Bury	1.90	3.10	7.30	4	2.10	2.30	3.70	8.70	6	2.50	Jul 08
Bolton	2.00	3.40	7.00	5	1.85	2.60	3.80	8.40	9	2.35	2008
Trafford	2.00	3.10	7.10	6	2.15	2.00	4.13	9.47	3	2.86	2013
Wigan	1.80	3.20	6.90	7	1.81	2.25	4.05	8.55	7	2.26	April 11
Rochdale	1.80	3.00	6.80	8	1.85	1.80	3.75	8.50	8	2.32	2011
Salford	2.40	3.72	5.26	9	1.61	3.00	4.54	8.28	10	1.90	2012
Average 3 mile journey			7.26					8.92			

Data source: Individual Authority Fare Cards & Private Hire Monthly – December 2014

Core Cities & AGMA Hourly Waiting Time Comparison

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

City Council	Day	Night
Manchester Current	18.60	24.60
Newcastle	18.00	23.23
Bristol	18.00	23.20
London	18.80	21.60
Liverpool	18.30	18.30
Birmingham	15.80	18.00
Nottingham	15.00	17.20
Sheffield	13.30	13.30
Leeds	12.80	12.80
Average	16.51	19.14

AGMA Council	Day	Night
Manchester Current	18.60	24.60
Trafford	16.20	21.60
Tameside	14.10	17.10
Stockport	14.40	14.40
Bury	16.00	16.00
Wigan	12.41	15.65
Bolton	14.40	14.40
Rochdale	12.00	12.00
Oldham	12.00	12.00
Salford	8.00	12.00
Average	13.81	15.98

Source: Individual Authority Fare Cards sourced in December 2014

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Principal Licensing officer (Taxis)
Taxi licensing Team
Planning, Building Control and
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Manchester City Council
Albert Square
Manchester

Sub; **Hackney Carriage Fare Review 2015/16 Unite the Union Proposal**

Hi Ann,

Thank you very much for your e-mail message regarding the forth coming Taxi fare review 2015/16. Following the disingenuous outcome of the Licensing and Appeals sub Committee's decision and where the Unite the Union Taxi Branch along with others had to make approach to the Executive members to avert some of the serious cuts in the meter fare charged in citywide area, and the surprise noted by the Leader of the council Cllr Sir R. Leese relating to the practice of the Sub Committee not to use the jointly agreed format of Halcrow fare formula. We hope and request that this year we shall be reverting back to the jointly agreed format of the taxi fares review, which has the scope to consider all aspect and aspirations. We are aware of the falling prices of the Diesel fuel this year which can be as much as 20p per litre from the previous year's price. However the rest of the overall costs of operating a Taxi has not come down. In effect the labour cost of servicing the Cabs is running @£ 30/40 + VAT per hour. The Major vehicle supplier namely the LCC has put the price of their basic Taxi by £ 2000.00. The price of the replacement parts, Tyres & servicing and any other items which may be considered essential for running of the Hackney Carriage in Manchester has also gone up. The Taxi Drivers are seeking a living wage, not a minimum for their work.

The Unite the Union NW191 Taxi branch members in Manchester have an aspiration of earning a living wage. This forms part of our policy for tackling poverty and deprivation that currently exists among our members and the wider workforce earning cannot keep pace with the cost of living in the present economic climate.

There are couple of items which we in the Unite the Union Taxi branch have in the recent past written to Councillors as well as to the senior officers, that a Taxi driver working full time at Manchester Airport is losing on average £4/5 on a daily bases, because currently drivers are only allowed to recoup a partial sum of 0.70p out of £1.60p charged by the Manchester Airport under pay per journey scheme. We were told that this can be considered in the next fare review and was left in abeyance and now we have the opportunity to bring this back for consideration in this fare review.

The Network Rail has also raised its charge by 100% from 0.20p to 0.40p per journey at the Piccadilly Station Taxi Rank Barrier and their simple explanation has been that their maintenance/operating cost has arisen and over the past 10 years they hadn't raised the barrier fee.

Enclosing our modest proposal, we will submit for this fare review. We hope these items in our submission can be considered positively by the Licensing and Appeals sub Committee which would assist our members in time of austerity.

Mandated Items for Submission.

1 We feel that this issue should be resolved and the Manchester Licensed Hackney Drivers

a. Should be allowed to recoup the full cost of the Manchester Airport Barrier fee on the all outward meter fare journeys from the Airport Terminals.

b. Should be able to recoup the full barrier charge from the Manchester Piccadilly Railway Station Taxi Rank Barrier as previously has being allowed since 2001.

c. The 20p for the luggage items carried out of the passenger compartment should be reinstated which was taken off last year.

These are the items our branch members felt strongly about, and mandated by the Unite branch members to make representation to the Licensing and Appeals sub Committee through yourself on their behalf.

The above items conclude our branch mandate for consideration for the fare formula review to the Licensing and Appeals sub Committee's consideration. If you require any further clarification please contact us in the usual way.

Yours Sincerely

Khalil Ahmad

Unite the Union (Branch Chair NW191)

Subject: Manchester City Council Hackney Fare Review 2015
19th January 2015

Foreword on Manchester Taxi Fares

Taxi operating costs in Manchester are among the highest in the country; Licence Fees are second highest in the country, insurance in the North West is THE highest ¹, limited choice of expensive Green Low Emissions purpose built wheelchair accessible vehicles (WAV), coupled with the maintenance required to pass up to three MOT tests per year mean these costs are among the highest too. Many of those areas whose fares are higher than Manchester have much lower costs as they utilise saloon cars, which have lower purchase costs, including the ability to source second hand private vehicles with low mileages and far higher mpg, many operate in rural areas where insurance is lower and all have lower licence fees.

Despite this Manchester does not have high taxi fares, in the last year it has fallen from 154th to 162nd in the National Taxi Fares Table ¹ with fares for tariff one matching almost to the penny the national average, while tariff two is below the average.

¹ <http://www.theaa.com/newsroom/bipi/car-home-insurance-news-2014-q3-bipi.pdf>

² <http://www.phtn.co.uk/file/taxi-fare-league-tables/taxi-fares-league-table-november-2014.pdf>

Comparison with other areas

We believe that comparing Manchester's fares with other areas is useful, however the committee should be clearly informed of significant differences in operating costs in these areas, particularly whether the area has a WAV policy, insurance costs in that area, vehicle age limits, testing regimes, licence fees.

Piccadilly Station

Drivers working Piccadilly Station have had to absorb the additional 20p levied on the barriers for each journey as these fees were doubled to 40p. Drivers working from Piccadilly Station who carry out 15 journeys over a 12 hour shift are losing £3 per day from take home pay.

$$15 \text{ journeys} \times \text{barrier charge at net } 20\text{p} = £3 \times 6 = £18 \text{ per week}$$

To recover £18 in take home pay a driver will have to work an estimated extra 3-4 hours on average

Luggage Surcharge

The loss of the 20p surcharge for each item of luggage with no compensation elsewhere in the tariff, has cost members significant amounts of take home-pay, even at a conservative estimate of an average of one item of luggage per journey from Piccadilly Station our members completing 15 journeys over a 12 hour shift will lose another £3 per day from take home pay

$$15 \text{ journeys} \times 1 \text{ item of luggage at } 20\text{p} = £3 \times 6 = £18 \text{ per week}$$

Drivers working from Manchester Airport whilst completing fewer journeys per shift will on average have to carry more luggage so will also lose significant amount of take home pay

$$7 \text{ journeys} \times 2.5 \text{ items (average) of luggage at } 20\text{p} = £3.50 \times 6 = £21 \text{ per week}$$

The loss from Piccadilly station of £18 added to the loss of the luggage allowance of £18-£21 means

drivers will lose in the region of £40 per week this will mean them working an estimated extra 6-8 hours on average to recover this take home pay.

We ask that this surcharge is returned to the tariff

Credit card charges

We support the amended decision last year to set credit charges at a maximum 10% this supports the well documented doctrine of encouraging the moving towards cashless payments to the benefit of society (convenience, security, traceability, accountability, environmentally, global cost savings,). This encourages drivers to offer such services to the passenger who wish to pay by card, particularly the corporate card holder whose card allows his company to be billed directly, saving him the inconvenience and time of having to bill his employer for expenses.

Fuel Surcharge

We feel the fuel surcharge should be returned to the tariff at an appropriate level, It is a safety net that only applies if the price of diesel rises sharply mid year. The price of fuel has fallen sharply recently, this followed periods of extreme rises, with the cost of fuel being volatile it is appropriate that a mechanism is in place to allow drivers to partially recoup extreme fuel rises.

Halcrow

The former Halcrow Fox Formula agreed by the Council in 2007 was as an appropriate transparent

independent mechanism for establishing the rate, the decision by the Council two years ago to move to a non independent means of conducting the Fare Review led to a reduction in fares despite the Councils own report acknowledging that operating costs had risen by 5.15% since the last fare review and that similar workers pay had risen by 1.91% in the previous year (3.5% since the last fare review), while we appreciate that the council has to moderate taxi fares there is a risk of a dangerous politicisation of the process, which could impact passenger safety.

Passenger Safety

Both Manchester and London operate Black cab only fleets, therefore it is reasonable to assume costs are similar (in fact Manchester's are higher). However a quick glance to compare fares from the tariff cards in London ² to Manchester ³ demonstrates that London's fares are approximately double Manchester's, TfL have used the same formula every year since 1981 to set fares and state that 42% of their fare is operating costs ⁴. Given the above;

- If London's fare is double Manchester's, then is 84% of the Manchester tariff being taken by operating costs?,
- if a London driver has to work 40-50 hours to earn a living based on the tariff, how many hours does the Manchester driver have to work to earn his living, is he working 80-100 hours a week?

Comprehensive research commissioned by the Australian government ⁵ found that income of drivers was directly correlated to risk taking which in turn was directly correlated to levels of accidents recorded.

"First, as risk-taking appears to be due, in part, to the need for greater income, then the income of drivers should be carefully investigated"

² <https://www.tfl.gov.uk/modes/taxis-and-minicabs/taxi-fares>

³ http://www.manchester.gov.uk/download/downloads/id/15841/hc_fare_card

⁴ <http://www.tfl.gov.uk/cdn/static/cms/documents/fpc-20150122-part-1-item08-taxi-fares-tariffs-2015.pdf>

⁵ <http://www.taxi-library.org/taxi-drivers-and-road-safety.pdf>

Regards

Sean Kenny **GMB Union Taxi Representative**
Manchester Taxi Owners and Drivers Association (chair)

Public taxi fares and charges (effective from 1 July 2014)

Cab number

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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]
404.52 yards (370.81m) £2.30	First 245.19yards (224.2m) £2.80
then for every 190.45 yards (174.15m) or part thereof 20p	then for every 143.03 yards (130.79m) or part thereof 20p
Waiting time every 38.89 seconds 20p (£3.20 per ten minutes, £18.60 per hour)	Waiting time every 29.29 seconds 20p (£4.00 per ten minutes, £24.60 per hour)

Extras

Christmas/New Year	Night rate plus
8pm on 24 December until 6am on 27 December	50%
8pm on 31 December until 6am on 2 January	
For each passenger additional to hirer	20p
For journeys through Piccadilly Station taxi rank barrier	20p
For journeys from Manchester Airport through barrier	70p
Fouling charge	£30

Some taxis accept credit or debit cards typically with a surcharge of 5–10% to cover administration costs

Average Cost (not including any waiting time)

		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

Up-front 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 AND LOST PROPERTY, PLEASE CONTACT:

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