

Licensing and Appeals Committee

Minutes of the meeting held on Monday, 6 June 2022

Present: Councillor Grimshaw (Chair) – in the Chair

Councillors: Connolly, Andrews, Evans, Hassan, Hewitson, Hughes, Jeavons, T Judge, Reid and Riasat

Apologies: Councillor Flanagan

LAP/20/3 Minutes

The minutes of the meeting held on 24 January 2022 were submitted for approval.

Decision

To approve the minutes from the meeting on 24 January 2022 as a correct record.

LAP/20/4 Request for Hackney Carriage Fuel Surcharge

The Committee considered the content of the report of the Director of Planning, Building Control and Licensing which concerned a request from representatives of the Hackney Trade for a fuel surcharge to be applied on the Hackney Fare, ahead of a wider Fare Review. The report set out all the relevant considerations in relation to this request and the determination of Hackney Carriage Fares.

The Licensing Unit Manager informed the Committee that Section 2 of the report covered the decision making process and governance of all Hackney Carriage Fare variations, in that they are recommended to the Executive who determine the fares. Trade representatives had requested an increase of 60 to 80 pence increase. The Licensing Unit Manager referred the Committee to the table in the report showing fuel increases over time, dating back to April 2017. The Committee were to decide on an increase amount to recommend to the Executive.

The Chair invited the Committee to ask questions/make comments.

A Committee member asked why 60-80p amount had been the required amount?

The Licensing Unit Manager informed the member that the Trade had detailed this amount.

A Committee member asked if this amount would be put on the fare manually by drivers and if a meter adjustment would be considered.

The Licensing Unit Manager stated that there was a considerable cost for re-calibration of meters as well as the estimated time of 10 days to adjust all meters in the trade across Manchester. Also, there would be another wider Fare Review to follow so this would potentially double the exercise. The Licensing Unit Manager then

informed the Committee that the decision made in 2008 was allowed as a manual alteration and reiterated that this was a temporary review.

A Committee member asked, if the full Fare Review was set for August/September, would this temporary fuel surcharge cover the interim period and what if there was a delay to the full review?

The Licensing Unit Manager stated that there were ongoing negotiations with the airport regarding the wider review charges and any delay would cause a risk to the service but a time limit may be imposed in that the wider review could be brought to Committee in July 2022.

A Committee member noted 2.5 in the report:

If objections are received, then the Licensing and Appeals Committee must consider those objections and set a date for any change to take effect no later than 2 months from the date of the original public notice.

This could put the surcharge back until August 2022, close to the Full Review.

The Licensing Unit Manager stated that this was correct but added that this same practice also applies to the wider review, which would then be moved back to November/December 2022, adding that it is likely that there will be objections to any fare increases.

The Deputy Chair questioned what would happen if the wider review brought about a lesser fare increase, after Committee endorsed this increase to the Executive?

The Licensing Unit Manager expressed that the risk of this was very low as fuel is one component of the formula and there are significant increases expected over time.

The Deputy Chair asked if it was a lower amount, would this have to be agreed.

The Licensing Unit Manager stated that it would be for the Licensing & Appeals Committee to decide.

The Chair requested information on the trade meetings with the airport, noting that talks were ongoing.

The Licensing Unit Manager confirmed that another meeting was imminent, but that the wider review would have to go ahead with or without an agreement.

The Chair asked if the new formula took electric and hybrid vehicles into account and if charges would differ for these types of vehicles.

The Licensing Unit Manager stated that the formula doesn't take these into account and requires further work.

A Committee member noted that electric vehicles will need to be considered for the future, noting that electric prices are due to increase greatly. This member then asked if 60-80p would be a flat for any journey.

The Licensing Unit Manager confirmed this to be correct.

The same member noted that short journeys would be significantly more costly and this would affect disabled and older people as a larger proportion of service users.

Members of three taxi trade unions and associations were invited to comment.

Unite addressed the Committee and stated that this fare surcharge was necessary for the trade. Covid had been a difficult time for drivers on top of the cost of living crisis, trade cost increases, Clean Air plan and MLS requirement. The trade was in crisis as £30 on diesel would now cover 100 miles. The Unite representative stated 20p previously covered 1 mile. The representative thanked Manchester City Council for being very helpful with regard to the trade but expressed that there was still a fine line, adding that the trade is technically public transport, even though operators are called private drivers. The representative mentioned that there had been one fare increase over the last 10 years, that saloon taxi cars make more money than the rest of the trade and asked for this fare surcharge to be recommended to the Executive as an interim measure to help the trade and extend the flexibility shown to the trade throughout the pandemic.

The Committee asked the Unite rep how they had arrived at a 60-80 pence increase, what the trade thought about opposition from the public to increased fares and what the rest of the increase would cover where the percentage is not to cover fuel costs?

The Unite rep stated that it is not based purely on fuel but this is needed ahead of the full review, that the trade faces difficulties regardless of opposition and that shorter jobs would balance out with longer jobs, adding that the trade had the oldest fleet they've ever owned and need to look at the future.

Manchester Hackney Association (MHA) addressed the Committee and stated that there were already standard fare increases at Manchester Airport and Piccadilly, adding that fares can go up or down due to independent costings. MHA also gave mention to the costs for different types of vehicles, £60k for an electric vehicle and £43k for a diesel vehicle, stating a cost of £850 a month over 5 years. The MHA rep spoke of prices for electric charging being increased and only 1 charging hub across all taxi ranks. In final comments the MHA rep expressed that over distance there may be some losses but that, overall, and average day for a driver would balance out with the surcharge added and this would be fair for everyone.

A Committee member noted that the Hackney trade do not have the same flexibility as other companies in amending fares to charge more during busy times and during large scale city events. The same Committee member then asked if drivers tend to buy or lease their vehicles.

The MHA rep stated that the £60,000 was to buy the vehicle outright and the monthly fee was a PCP to lease the vehicle and buy it after 5 years.

The Chair invited the representative from Unite the Union to address the Committee.

The Unite rep stated that they bought the first electric vehicle on the fleet 4 years ago and noted that the charging infrastructure was very poor, informing the panel that a full charge had doubled in cost for the 60 mile capacity of an electric vehicle, making it more expensive than fuel based vehicles. The Unite rep noted the recent increases in diesel from April 2022 to the current day and gave mention of the single increase in surcharges over the last 10 years. Since the pandemic, 50% of drivers had left the trade and this was a cry for help to help those in the trade struggling to make a wage. The Unite rep concluded by stating that 80 pence was the bare minimum required to help the trade survive.

The Chair invited the Committee to make comments/ask questions.

Cllr Andrews proposed to move the recommendation of an 80 pence surcharge increase, time limited to the end of September 2022. Cllr Hughes seconded the proposal.

Decision

The Committee agreed to recommend to the Executive that an 80 pence surcharge be implemented.