

Licensing and Appeals Committee

Date:Monday, 26 September 2022Time:10.00 amVenue:Council Chamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Council Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. **There is no public access from any other entrances of the Extension.**

Membership of the Licensing and Appeals Committee

Councillors - Grimshaw (Chair), Connolly (Deputy Chair), Andrews, Evans, Flanagan, Hassan, Hewitson, Hilal, Hughes, Jeavons, T Judge, Reid and Riasat

Agenda

1. **Urgent Business**

To consider any items which the Chair has agreed to have submitted as urgent.

2. **Appeals**

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4.	Minutes To approve as a correct record the minutes of the meeting held	5 - 8
	on 6 June 2022.	
5.	Hacknev Carriage Fare Review 2022	9 - 36

nackney Carriage Fare Review

The report of the Director of Planning, Building Control and Licensing is enclosed.

Information about the Committee

The Licensing and Appeals Committee discharges the duties of the Council in relation to a range of licensing and registration functions.

In general, decisions are made by the Committee under powers delegated to it under the Council Constitution and will not require to be referred to the Council for approval. Meetings are controlled by the chair, who is responsible for seeing that the business on the agenda is dealt with properly.

The Committee has previously agreed detailed procedures for dealing with certain types of applications. The role of officers at meetings is to present reports and to give procedural or legal guidance to the Committee

Copies of the agenda are available beforehand from the reception area at the main entrance of the Town Hall in Albert Square. Some additional copies are available at the meeting from the Governance Support Officer.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to the strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public are asked to leave.

Smoking is not allowed in Council buildings.

Joanne Roney OBE Chief Executive Level 3, Town Hall Extension, Albert Square, Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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Licensing and Appeals Committee

Minutes of the meeting held on Monday, 6 June 2022

Present: Councillor Grimshaw – in the Chair

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

Apologies: Councillor Flanagan

LAP/22/03 Minutes

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

Decision

To approve as a correct record the Minutes of the Licensing & Appeals Committee meeting held on 24 January 2022.

LAP/22/04 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 recalibration 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 that 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.

Manchester City Council Report for Resolution

Report to: Licensing & Appeals Committee – 26 September 2022

Subject: Hackney Carriage Fare Review 2022

Report of: Director of Planning, Building Control and Licensing

Summary

This report sets out the relevant information this Committee will need to consider in order to enable it to make recommendations to the Executive in relation to the Hackney Carriage Fare tariff.

Recommendations

The Committee in considering its recommendation to the Executive, and subject to anything further discussed within the meeting, may wish to consider the following officer recommendations:

- 1. Increase the Day flag tariff to £2.60
- 2. Increase the Night flag fariff to £3.00
- 3. Apply the 23% increase to the rest of the fare on distance on Tariff 1
- 4. To consider applying the 23% increase on the fare on distance on Tariffs 2 & 3 (Night and Bank Holiday Tariffs)
- 5. Not apply an increase to the waiting time on this occasion and review in 12 months
- 6. Retain the current 20p charge for additional passengers but review this in 12 months
- 7. Not reintroduce the 20p luggage surcharge at this time
- 8. Permit the £1.80 airport pick-up charge to be applied as an extra on the fare card
- 9. Ensure the Fare is reviewed again in 12 months' time

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

The Hackney Carriage Fares are determined by the City; therefore the City has a direct impact on the affordability of Hackney Vehicle proprietors in maintaining and upgrading vehicles to emissions compliant and zero emissions capable vehicles.

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable City: supporting a diverse and	The Hackney Carriage Fares should take into account the associated costs of running and

distinctive economy that creates jobs and opportunities	maintaining a business as a Taxi proprietor. Fares that accurately reflect those costs support security in driver jobs and the effective maintenance of vehicles.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Maintaining fares reflective of the business running costs helps ensure the Hackney Carriage industry can attract and retain drivers; and in turn ensure the Council can attract high quality applicants who can invest in the vocation long term.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Fares should be set at a level that supports the City's ambition to remain an affordable destination to live, visit and work; supporting business and accessible travel as part of the wider transport network.
A liveable and low carbon city: a destination of choice to live, visit and work.	The Hackney Carriage Fares should take account of the associated costs of running and maintaining a business as a Taxi proprietor. Fares that accurately reflect those costs support investment in cleaner vehicles, and in turn a higher quality fleet that provides a better service for those living, visiting and working in the City.
	The Fares should also be set at a level that supports the City's ambition to remain an affordable destination to live, visit and work; supporting business and accessible travel as part of the wider transport network.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring the Hackney Trade remains financially viable, supports the Hackney industry in Manchester so that we can continue to offer an essential fully accessible service at key transport interchanges and ranks around the City, supporting the wider transport network and businesses.

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:

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Background documents

Request for Temporary Hackney Carriage Fuel Surcharge – Report to Licensing and Appeals Committee June 2022 Hackney Carriage Fare Review 2017 – reports to Licensing and Appeals Committee (April 2017) and Executive (June 2027)

Review of methodology for calculating the Hackney Carriage Fares – reports to Licensing and Appeals Committee (Jan 2013 and Nov 2014) Manchester Halcrow Formula

Relevant Sections of the Local Government (Miscellaneous Provisions) Act 1976

1. Introduction

- 1.1 The Committee will be aware that the Council has the authority (under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976) to fix the maximum fare/rate that Hackney Carriages can charge within the district for time and distance, as well as other charges in connection to the hire of a hackney carriage vehicle.
- 1.2 There is no set formula for calculating Hackney carriage fares and the legislation does not limit the Council in the external factors it may take into consideration, nor the amount by which it may vary the fare tariff (subject to reasonable decision making).
- 1.3 Under the Council's constitution, Hackney fares are determined by the Executive. The Licensing and Appeals Committee act in an advisory capacity to the Executive in relation to the fare review.
- 1.4 This report sets out the relevant information this Committee will need to consider in order to make recommendations to the Executive in relation to the Hackney Carriage Fare tariff.

2. Background

- 2.1 The Hackney Carriage fares in Manchester are currently set over 3 different tariffs (Day, Night and Bank Holiday tariffs) as well as permitted 'Extras' (station and airport charges, additional passengers, Christmas and New Year charges and a fouling charge). Each tariff consists of a flag rate, which is the initial charge for a determined distance (in yards) and 20p for each additional determined distance, which when calculated produces a fare per mile. Separate to this, there is also a 20p charge for a determined number of seconds 'waiting time'. If the fares are increased, the increase can be applied against either or both the distance and time; this results in the charge of 20p being applied against a shorter distance and fewer seconds. This is enabled by a recalibration of the meters before they are sealed again.
- 2.2 The current table of fares and extras is attached to this report as **Appendix 1**.
- 2.3 The currently methodology for calculating the Hackney Carriage Fares in Manchester has evolved over several years. The 'Halcrow-Manchester Formula' was originally devised in 2002, based on a model formula used by the Public Carriage Office in London (as was – now Transport for London) at that time. The formula uses data from several sources for the following components to calculate an estimate of the average annual cost of running a Manchester licensed Hackney vehicle:
 - Cost of purchasing a vehicle (averaged over lifespan of vehicle)
 - Parts
 - Tyres
 - Garage servicing and repair
 - Fuel (although this was removed and reinstated)
 - Insurance
 - Licensing fees

- 2.4 The formula is no longer the sole determinant of the Hackney Carriage Fares. Following a review of the methodology, the Licensing and Appeals Committee agreed the following in January 2013:
 - The data and component parts of the current formula as revised should be used as <u>one part</u> of the hackney carriage fare review
 - In calculating any hackney carriage fare review consideration should be given to the current Consumer Price Index (CPI)
 - In calculating any hackney carriage fare reviews; consideration should be given to comparable earnings-related data
 - In calculating any hackney carriage fare reviews comparator fare information from other core cities and AGMA authorities should continue to be provided
 - That any component of the formula would be reviewed at any time, in particular to reflect any relevant change in policy or practice
- 2.5 Changes have also been made over time to the fare tariff itself; for example, a surcharge for luggage was removed on the recommendation of this Committee in 2014 following a full consultation.
- 2.6 In determining the fares, the Council has to consider the ability of a hackney carriage proprietor to purchase a vehicle that conforms with our purpose-built hackney carriage policy whilst maintaining a reasonable living standard. The Council also needs to take into consideration the impact on the travelling public and the wider strategic aims of the city. The Fares should be set at a level that supports the City's ambition to remain an affordable destination to live, visit and work; supporting business and accessible travel as part of the wider transport network.

3. Last Fare Review

- 3.1 The Hackney Fare Tariff was last fully reviewed in June 2017 when a 6.42% increase was applied to the distance element of the fare tariff only (waiting time tariff was not adjusted). Minor amendments were made in 2018 and 2020 to reflect charges introduced at Manchester Airport, and the Committee will recall the temporary fuel surcharge of 80p it recommended (and was subsequently approved by the Executive) in June 2022 as an urgent response to the rising fuel prices ahead of this wider review.
- 3.2 It is acknowledged that the fare tariff has not been fully reviewed since 2017. Whilst there is no requirement for the authority to review the fare annually, the Unit would aim to undertake regular reviews and conduct them annually if possible. Other significant service pressures and priorities meant this was not possible in 2018-19, although the data indicates that there were no significant increases in running costs during those years. During the pandemic years 2020 and 2021, undertaking a review was not viable, however, the Committee will be aware of the support provided to the Hackney trade during that time. The Unit has remained responsive to significant issues, ensuring the Committee were able to consider changes in relation to the airport charges and the hike in fuel prices.

Year	Outcome
2011	Increase 7.4%
2012	Increase 4.33%
2013	No change
2014	-4.37% No change
2015	-5.23% No change
2016	-3.20% No Change
2017	Increase 6.42%
2018	Airport charges included – no change to
	wider tariff
2019	No review
2020	Airport charges added – no change to
	wider tariff
2021	No review – Covid
2022	Fuel surcharge – 80p

3.3 The table below outlines the amendments to the Hackney Fare Tariff for the past few years:

3.4 Going forward, some trade representatives have requested that the Committee consider the Consumer Price Index (CPI) change annually, and apply any relevant increase based on that, in lieu of a fuller review to be conducted only once every 2-3 years. In recent trade engagement other suggestions around the methodology have also been proposed. Officers recommend that in order to assist Members consider the merit of any wider changes to the methodology and/or frequency of fare reviews, that the Fare tariff is reviewed fully again using current methodology next Summer with a report to the Committee in September 2023 setting out any wider issues for consideration.

4. Temporary Fuel Surcharge – June 2022

- 4.1 As already noted, this Committee recommended to the Executive earlier this year that a surcharge of 80p be permitted on the hackney fare tariff as a temporary measure in anticipation of this wider review. This was in turn approved by the Executive and took effect on 15 July 2022 when no objections were received to the public notice.
- 4.2 This impact this had on the Fares is as follows:

	Tariff 1 (Day)		Tariff 2 (Night)	
	Flag 2 miles		Flag	2 miles
2022 – temporary fare	£2.30	£6.50	£2.80	£8.50
2017 fare	£2.30	£5.70	£2.80	£7.70

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- 4.3 Whilst it is acknowledged that there has not been a full fare review since 2017, the implementation of the surcharge means that the travelling public have now been subject to increased fares since July 2022.
- 4.4 Members should note that this Fare Review has disregarded the fuel surcharge and any proposed amendment to the fare is in relation to the Hackney Fare Tariff as was determined in June 2017. Further fare comparisons are detailed later in the report.

5. 2022 Fare Review – Data

5.1 Halcrow-Manchester Formula Calculation

A breakdown of the component costs source data used within the Formula to calculate the fares this year is attached to the report at **Appendix 2**. The table denotes where sources that have been used previously are no longer available and what data source has been used instead.

5.2 The table below provides the cost comparison and final calculation provided by the Halcrow-Manchester Formula:

Component on index	Total Costs 2016-17	Total Costs 2022
Vehicle Cost	5782	5763
Parts	3438	3986
Tyres	281	326
Garage & Servicing - Labour	986	1117
Fuel	3548	5732
Insurance	2515	3421
Licence Fees	402	507
Grand Total (£s)	16952	20704
Difference 2016/17 compared to 2022	23.01%	increase

- 5.3 The formula suggests that the annual cost of running a hackney carriage vehicle has increased by an estimated **23.01%** since the data that was used for the last full fare review in 2017.
- 5.4 The data shows that this is mainly attributable to the significant increases in the cost of fuel which began rising significantly at the end of 2021.
- 5.5 <u>Consumer Price Index (CPI)</u>

According to the Office for National Statistics the rate of inflation in the UK as of July 2022 was 10.1%. The CPI has however increased by **18.6%** since December 2016:

	Consumer Price Index UK
December 2016	102.2
July 2022	121.2
% change	+ 18.6%

5.6 <u>Comparable Earnings-related data</u>

According to the ONS the average full time employee earnings in 2021 was \pounds 31,772. When compared with the same data used in 2016 for the last full fare review (\pounds 28,296), this shows an increase in earnings related data of **12%**.

6. **Options for amending the Hackney Carriage Fare**

- 6.1 The Committee has a number of options and considerations in determining a recommendation to the Executive. Before deliberating and arriving at any final decision, it will need to consider the additional information outlined in sections 7-10 of this report; and may take any representations made in the meetings under consideration.
- 6.2 The Committee may:
 - Apply <u>all or a portion</u> of the 23.01% increase recommended by the formula
 - Apply any increase against the distance fare
 - Apply any increase against the waiting time
 - Apply any increase against either Day or Night Tariffs or both
 - Amend the flag tariff of either/all Tariffs and apply an increase on the remaining distance or time or both
 - Amend any other elements of the fare tariff
 - Choose not to amend the fare tariff at this time
- 6.3 The current flag tariffs of £2.30 (Tariff 1 Day) and £2.80 (Tariff 2 Night) have been in place since 2007.

7. Engagement with the Hackney Trade

- 7.1 Officers held 2 online engagement sessions with representatives of the Hackney Trade on 1 and 5 September 2022. The trade representatives were taken through the component parts of the formula and what had changed, and advised that the percentage increase recommended by the formula was 23.01% (it was fully explained at that time that the data was subject to final verification by Jacobs and updating of source data where applicable).
- 7.2 Trade representatives in turn consulted with their group/association members. The feedback summary is as follows:
 - Reps were keen to ensure the committee remained aware of the significant impacts of the pandemic and cost of living on their livelihoods, and that these impacts follow the wider impact of the changes in the

private hire industry and proliferation of out of area working; the removal of some ranks due to the sweeping changes to the City's highway infrastructure and the pending clean air and emissions policy requirements that will require them to upgrade vehicles within a very limited and expensive market. Their feedback is that the trade is unviable at the time, with many hackney drivers having already left or are thinking of leaving the trade.

- Reps expressed some concerns amongst the wider trade about increasing fares and increasing them by the full % increase the trade are very conscious that whilst they are struggling financially, so too are the travelling public.
- Reps were also conscious that there has not been an increase for some time so this may come as a steep increase to passengers. However, overall they state they are struggling to meet their business costs at present and require a fare increase
- Regardless of these concerns, all groups welcomed and supported the formula recommendation and in turn make representation to the Committee to apply the full % increase as suggested by the formula
- There were mixed views about whether to increase the flag tariffs and by how much but overall, a view that the initial flag fares should increase having remained static for many years
- The trade reps were supportive of an increase in the fouling charge from the £30 it has been for several years now to £50 to better reflect current costs
- There were suggestions that the Committee also consider increasing the extra on the Fare card for additional passengers from 20p to 40p
- There were also suggestions that the Committee consider re-introducing the luggage surcharge on the farecard.
- 7.3 Cognisant that not all licensees are members of an association or trade group, officers also canvassed the wider trade by conducting an online survey of all Manchester Hackney licensees. This survey was kept simple to elicit as many responses as possible, and the 6 questions were based upon the initial engagement with the trade representatives. The questions were:
 - i. Do you agree that the full % increase should be applied to the Fare Tariff?
 - ii. If not, why not
 - iii. Do you agree that this should be applied to both the yardage fare and the waiting time?
 - iv. Do you think the flag rate should be amended as follows (select one of 3 options Tariff 1 £2.60 £2.80 £3.00)
 - v. Do you think the flag rate should be amended as follows (select one of 3 options Tariff 2 £3.00 £3.20 £3.40)
 - vi. Do you agree that the fouling charge should be increased to £50?
- 7.4 The survey took respondents on average just over 2 minutes to complete and elicited 1295 responses over 3 days.
- 7.5 Overwhelmingly, the majority of respondents (1256) agreed that the full percentage increase suggested by the formula should be applied to the Fare

Tariff and 1267 respondents wanted that applying to both the distance and time elements of the tariff.

- 7.6 **Appendix 3** provides anonymised responses from the 39 respondents that do not wish to see the full increase applied. Whilst they are very much the minority, these respondents outline concerns that the trade are struggling to compete with much lower private hire operator fares, and some suggest that the increase could be applied more gradually.
- 7.7 With regards to the flag rates there was much more variance in opinion:
 - Day Flag
 - £2.60 = 49% (640)
 - £2.80 = 15% (194)
 - £3.00 = 36% (461)
 - Night Flag
 - £3.00 = 53% (692)
 - £3.20 = 11% (137)
 - £3.40 = 36% (466)
- 7.8 The vast majority (1218) agreed with increasing the fouling charge to £50.
- 7.9 Passenger Tariff Extra

The Fare Tariff currently permits drivers to charge 20p for each additional passenger to the hirer. This charge has been 20p since at least 2006 according to service records. The meter can only calibrated to the same increment denomination, so if it were to be increased it would have to be increased to 40p.

7.10 Luggage Tariff Extra

The Fare tariff has changed over the years, but previously permitted drivers to charge 20p for each article of luggage that was carried outside of the passenger compartment (i.e. in the front compartment of the vehicle or the boot).

Some trade reps requested that this charge be reintroduced with some requesting it be applied to all luggage carried within any compartment of the vehicle, and others requesting it apply as stated previously. Submissions also included increasing the charge to 40p per item of luggage. Views put forth were that large luggage in the main compartment took the space of a person who would otherwise be charged as an extra; manual handling of luggage should be compensated; and carrying luggage meant more weight and more fuel usage.

The current Hackney Carriage Bye-Laws require drivers by law to assist passengers with luggage:

The driver of a hackney carriage so construed to carry luggage shall, when requested by any person hiring or seeking to hire the carriage – (a) convey a reasonable quantity of luggage (b) afford reasonable assistance in loading and unloading; and (c) afford reasonable assistance in removing it to or from the entrance of any building, station or place at which the may take up or set down such person

Some Members of the Committee may recall that the issue of luggage surcharges was considered at length in 2014, when it was removed from the fare tariff following a public consultation, and is fraught with difficulty when dealing with related complaints.

8. Fare Increase Options and Comparison with Core Cities and GM districts

8.1 The table below outlines the current cost of a 2-mile journey in a Manchester licensed hackney carriage vehicle alongside options for applying an increase to give Members an indication of possible fares:

	Tariff 1 (Day)		Tariff 2 (Night)	
-	Flag	2 miles	Flag	2 miles
Proposed Fare if 23.01% applied across whole tariff	£2.30	£7.00	£2.80	£9.40
Proposed Fare if flag increased and 23.01% only applied to remaining distance	£2.60	£6.80	£3.00	£9.20
2022 – temporary fuel surcharge fare	£2.30	£6.50	£2.80	£8.50
2017 fare	£2.30	£5.70	£2.80	£7.70

- 8.2 **Appendix 4** provides Members with the current comparison fares for a 2-mile journey in other core cities and GM districts.
- 8.3 Members will note that Manchester's flag tariffs are considerably lower than comparable cities and may wish to consider amending these in line with the majority of trade respondents as outlined in the table above: £2.60 Day tariff and £3.00 Night Tariff. In any event it would be helpful to amend the Day Tariff to a denomination of 20p so that drivers only have to carry one denomination of coin for cash customers.
- 8.4 Members must also consider whether to apply an increase to the waiting time element of the fare tariff. At present (as per Appendix 1) the tariffs are set that the meter will reach:
 - Tariff 1 (day)
 - £3.20 after 10 minutes

- o <u>£18.60</u> after 1 hour
- Tariff 2 (night)
 - £4 after 10 minutes
 - o <u>£24.60</u> after 1 hour
- 8.5 If Members applied the full 23.01% increase to the waiting time, then the waiting tariffs would increase to:

Tariff 1 (Day)		Tariff 2 (Night)	
10 Mins	1 Hour	10 Mins	1 Hour
£4	£22.80	£5	£30

8.6 **Appendix 5** provides Members with the current comparison waiting times for 1 hour in other core cities. Members will note that Manchester's current waiting time rates are already relatively high in comparison to other cities.

9. Airport Charges

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- 9.1 Manchester Airport Group (MAG) have proposed changes to the pick-up charge for Hackney Carriages at the terminals. This charge is currently £1.60 and has been fixed at that rate for over 10 years. The driver initially pays this charge when accessing the feeder park at the airport, which controls and manages the Hackney Carriage access to the forecourt ranks. The £1.60 charge is referred to by the trade therefore as the feeder park 'barrier charge'. The driver is subsequently permitted (via the Farecard) to charge this back to the customer when picking up from one of the airport terminals. In order to access the feeder park, the driver also requires a feeder park permit. The charge for this is currently £28.80 and this has also remained at this price for over 10 years.
- 9.2 The feeder park barrier and permit charges cover the costs of facilitating Hackney Carriages to operate at the airport; the running and maintenance of the feeder park which includes a prayer room, toilets, kitchen area, rest rooms (with tv), visual screen with flight information and a dedicated 24hr a day / 365 days a year marshal service based within the feeder park. The capacity of this facility is 100-200 vehicles.
- 9.3 MAG engaged with the Hackney trade and Council's Licensing Unit in 2021 with regard to their review of the costs of this provision, particularly in the wake of the pandemic. Several discussions have taken place over the last 12 months and the outcome is that MAG are proposing:
 - The permit charge remains as is for now at £28.80 (one off charge)
 - The pick-up (barrier) charge is increased from £1.60 to £1.80
 - MAG will not seek any further increases to the Fare Card any earlier than April 2026, save for extraordinary circumstances (i.e. pandemic / unforeseen substantial cost increases)
- 9.4 MAG would like to assure the Committee that the feeder park is run on a cost recovery basis only and do not make a profit from this revenue. MAG state that any surplus or loss each year is applied back to the feeder park accounts, and this will be monitored over the next 4 years. MAG have modelled

assumptions up to 2026 based on a continued recovery of travel behaviour from the pandemic to pre-covid levels; on which basis MAG anticipate a break-even position by the end of March 2026. However, as stated, this will be monitored and reviewed with the trade and Licensing as necessary

10. Other considerations

- 10.1 The Committee have heard feedback from the trade engagement about the economic hardships experienced by the Hackney trade in Manchester at present, and how several drivers have left the trade as a result. This position is supported by evidence of a decline in the number of Manchester Hackney licensed drivers and mileage data collected at each vehicle compliance test shows that on average our licensed Hackneys are conducting around 5000 fewer miles per year compared to pre-covid levels. It would be logical to conclude that fewer miles = fewer fares and less income.
- 10.2 This Committee approved new vehicle emissions standards in January 2022 as part of the Minimum Licensing Standards policy review. The approved standard requires the existing Hackney fleet to have an emissions compliant vehicle attached to the licence by 1 April 2024. At present we only have 20% of our licensed Hackney fleet compliant with the emissions standard.
- 10.3 The price of a new London Style electric vehicle (Euro 6 London Style cabs are no longer available to purchase new) is currently £68,000. The price of a new Euro 6 Mercedes Vito (research shows there is no second-hand market at present) is £43,000. Recent engagement with all Hackney trades across GM suggests that there are significant challenges for licence holders in being able to source second hand compliant vehicles; or afford upgrading their existing vehicle to a new emissions compliant vehicle. In addition, the Clean Taxi Fund is under review following the pause of the Clean Air Plan and the indicative timeline suggests the fund may not be open to applicants until next Summer. With the fuel and cost of living costs, it will be very challenging for licensees to afford to invest in new vehicles as things stand.
- 10.4 With regards to electric vehicles; the formula currently still uses the price of diesel as a component for calculating the fares. There is insufficient data at present to suggest whether a licensed EV Hackney would cost less to run than a diesel vehicle, and with the instability in the energy markets at present it appears that the cost efficiencies once seen from running an EV, are no longer achievable and therefore the Committee should have comfort that any increase on the fares is unlikely to unduly benefit those running EV vehicles (though longer term it is still envisaged that cost savings will be achievable). The fare calculation will continue to use the cost of diesel as the fuel component within the formula until such a time as the methodology is fully reviewed and better data is available.
- 10.5 Whilst it is acknowledged that there has not been any fare increase for some time, the recent application of 80p as a temporary fuel charge has brought the current fares close to the formula suggested increase; therefore, the travelling public have already experienced a significant increase in hackney fares this year and any further small increase may not be as impactful as it otherwise would had the temporary fuel surcharge not been applied.

10.6 A minority of licence holders are concerned about the full 23.01% increase being applied to the fares. The Committee are reminded that the fare Tariff is the maximum fare that a Manchester licensed Hackney driver can charge, and that drivers are able to provide journeys at negotiated rates below the metered fare.

11. **Timeline for Implementation**

11.1 The table below outlines the possible timetable for implementation of any changes to the Hackney Carriage Fares:

26 September 2022	Licensing and Appeals Committee	
19 October 2022	Executive	
21 October 2022	Public Notice in MEN	
	14-day consultation period	
4 November 2022	End of consultation period.	
18 November 2022	If no objections received, new	
	fares take effect (following	
	recalibration of meters)	
5 December 2022	If objections are received;	
	Licensing and Appeals Committee	
	consider objections	

12. Key Policies and Considerations

a) Equal Opportunities

Whilst we do not have exact demographic data (as we do not collect this data as part of the licensing process), we know from our customer interactions that a significant majority of Hackney Carriage licence holders are from BAME communities. We also know that members of the BAME community (and communities in the North-West), were disproportionately impacted by the pandemic.

Hackney Carriages also provide key accessible transport for passengers with mobility issues or other disabilities and must remain a viable option for these key affected groups.

b) Risk Management

No further considerations for this report.

c) Legal Considerations

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

13. Conclusion and Officer Recommendation

- 13.1 The report sets out all the relevant factors and processes in relation to the determination of Hackney Carriage Fares.
- 13.2 The report details that the costs of running a Hackney vehicle have increased significantly since 2017 and the fares are comparatively low at present. The majority of licensees would like the Committee to amend the flag tariffs and apply the full formula increase against the rest if the fare for both distance and time, although Manchester's waiting time tariffs are already comparatively high.
- 13.3 Members are aware of the need to balance the need to support the trade to remain economically viable, with the impact on passengers and supporting the retention of a strong Hackney transport offer in the City by ensuring the trade also remain competitive.
- 13.4 The report highlights that the 23.01% recommended by the formula is slightly higher than the 18.6% change in the CPI since the last fare review.
- 13.5 It is recognised that the fare review needs to be conducted within 12 months to ensure a timely review of circumstances in these unstable times, and that the methodology may need to be reviewed more fully in the near future.
- 13.6 The Executive has the authority to:
 - Apply *all, part or none* of the suggested percentage increase to the Fare Tariff
 - If applying an increase apply it to just the distance *or* time element *or* both; and apply it to just the Day tariff *or* Night Tariff *or* both
 - If applying an increase retain the current flag tariff as is or increase that as see fit
 - Approve any additional amendments to the 'Extra' charges on the Fare card
- 13.7 The Committee in considering its recommendation to the Executive, and subject to anything further discussed within the meeting, may wish to consider the following officer recommendations:
 - 1. Increase the Day flag tariff to £2.60
 - 2. Increase the Night flag fariff to £3.00
 - 3. Apply the 23% increase to the rest of the fare on distance on Tariff 1
 - 4. To consider applying the 23% increase on the fare on distance on Tariffs 2 & 3 (Night and Bank Holiday Tariffs)
 - 5. Not apply an increase to the waiting time on this occasion and review in 12 months
 - 6. Retain the current 20p charge for additional passengers but review this in 12 months
 - 7. Not reintroduce the 20p luggage surcharge at this time
 - 8. Permit the £1.80 airport pick-up charge to be applied as an extra on the fare card
 - 9. Ensure the Fare is reviewed again in 12 months' time

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Current Fare Tariff determined December 2020

	Current Charge
DAY TARIFF (6.00am until 10.00pm)	
First 381.1yards (348.44m)	£2.30
then for every 178.96yards (163.6m) or part thereof	20p
Waiting time every 38.89 seconds (£3.20 per 10 mins, £18.60 per hour)	20p
NIGHT TARIFF (10.00pm until 6.00am) [Bank Holida	avs and Good Friday 24hrs1
First 230.39yards (210.67m)	£2.80
then for every 134.4yards (122.9m) or part thereof	20p
Waiting time every 29.29seconds (£4.00 per 10 mins, £24.60 per hour)	20p
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 hirer	20p
For journeys through Piccadilly Station taxi rank barrier	60p
For journeys from Manchester Airport through barrier (Pick Up)	£1.60
For journeys from Manchester Airport (Drop off)	£3.00
For journeys through ground transport interchange (rail link)	60p
Fouling Charge	£30

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Component	Data Source	Notes
	London Taxi Company	New TXs can no longer be purchased, having been replaced by the TX
Vehicle Cost	(LTC)	Electric Taxi.
Venicle Cost	Mercedes	
	Cab Direct	New Peugeot E7s are no longer available to purchase and so Peugeot prices
		have been taken out of the formula.
		Cab Direct have informed that there is currently no second-hand market to
		purchase compliant vehicles.
		Vehicle costs are included for:
		Cost of new purchase, current HP rate and monthly payments - purchase new
		and run for 12.5 years.
		NB. The formula has not taken into account that grants are due to be offered
		to licensees when replacing their existing vehicle with a new vehicle
	Office for National	Previous data source Mann & Overton - no longer trading
Parts	Statistics (ONS): Retail	
1 0113	Price Index (RPI)	TfL (formerly Public Carriage Office upon which the Halcrow formula is
		based) identified a new data source for parts & tyres; they apply the yearly
		change in the ONS RPI figure for motoring expenditure: maintenance of

		vehicles.
		Data Base year = 1987 = 100 Increase applied from base at 2016 compared to 2022
Tyres	Office or National Statistics (ONS): Retail Price Index (RPI) 'motoring expenditure: maintenance of vehicles'	Previous data source Mann & Overton - no longer trading TfL (formerly Public Carriage Office upon which the Halcrow formula is based) identified a new data source for parts & tyres; they apply the yearly change in the ONS RPI figure for 'motoring expenditure: maintenance of vehicles' Data Base year = 1987 = 100
		Increase applied as % increase from base as at 2016
Garage & Servicing – Labour	Office of National Statistics (ONS) This is obtained from the Annual Survey of Hours and Earnings (ASHE) via www.ons.gov.uk.	The data is obtained from Table 14.6a Hourly Pay – All employees. The mean% change for Vehicle Technicians, Mechanics and Electricians is used and applied to the 2016 value
Fuel	AA Fuel price index	The AA no longer publish the level of granularity on their fuel index as they did in 2016. Therefore the cost of a litre of diesel in the Northwest region as of July 2022 has been used - the % change from the cost price index in Jan 2017 as been used within the formula

	Office for National	Previous source AA Insurance Index – no longer available.	
Insurance	Statistics (ONS) Retail		
	Price Index (RPI) figure	In line with its application at TfL, costs for insurance will be uplifted by the	
	for motoring	yearly change in the ONS RPI figure for 'motoring expenditure: vehicle tax	
	expenditure: 'vehicle tax	and insurance'	
	and insurance'	Data Base year = 1987 = 100	
		Increase applied as % increase from base as at 2016	
	Licensing Unit	This is the annual cost of:	
Miscellaneous		renewal licence for a hackney carriage vehicle	
		• renewal licence for hackney carriage driver (apportioned to annual	
		cost)	
		2 vehicle compliance tests	

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Verbatim Text from 39 survey respondents that did not agree to the application of the full 23%* to the Fare Tariff:

*23% was the figure outlined for the survey prior to finalisation of the data

0.15

23% for days would be ok. 10/15% for nights would be better. Higher fares will be off putting and turn trade away to uber etc

Already too much competition already

An increase of 23% would be too large in one instance I'd try rate of inflation (12%).

Because less people will not use Hackney Cabs and the Council will increase all our expense (MOT, Renewal Bags and so on) I prefer the rate started from 20:00 instead 22:00

Because,23%" i think is slightly higher fares for the majority customers in the long terms, specifically when you have competition with Uber" and Bolt and other's putting their lowest fare's to attract customers, I personally think a slightly less expensive than 23%" would be right fairly priced affordable efficient to the customers, to be fair however, the costs of the living is having a effective struggle on all works of lives, Finally, we would like maintaining our trust worthy repetition to our customers and continue providing good service in the hackney carriage taxi trade in the future

Competition

Cost of living going up. This will have negative impact on our taxi trade. We want to be competitive in the market. I will recommend 7% increase in night fare And 15% increase day fare. Everyone is struggling and going through tough times. Night starting fare should remain same 2.80

Day fare should +23% Night fare should +10%

Does not cover the all round financial difficulties now and what lies ahead &3.50 days £4.30 knights.

Fares are already too much compared to Uber. The trade is struggling as it is

I believe it should be minimum %30 increase due to the cost of living.

I believe it should go up gradually not at the same time 23% should go up in next 2-3 years

I believe the tariff should go up in 2 increments over the next 6 months 12% and then again in December by 11%. This will allow public to adapt without noticing to much of a shock we should analyse the data after the first increase and then we could better anticipate if the next rise should be 11% or significantly lower.

I think it is to low, especially when everything is going up again very soon and we still haven't recovered from all the increasing prices already

I think it will be too much

I think we need to strike a balance with our main Compition which is Uber

I understand costs are going up. However costs are going up for every member of the public. This full increase in my opinion will be damaging for the Hackney trade. We need to think about the public and not just the benefits for the drivers.

It is very high increase for public

It should me more that 23%

Passengers are already struggling to pay the fare

The day rate should be increased but the night rate is ok and we are already struggling to compete with uber increasing the night rate would kill the black cab trade

The fair should be used to adjust the flag fare and start the night rate earlier

This should be more than

To much all in one fare rise. The newspaers will have a field day. The 23% is justified but should have been gradually implemented over the last 5 years where there has been not fare rises.

Too much too soon. We are struggling to compete with half of Wolverhampton and Sefton. 10% plus 5% p.a

Too much, we will lose work to private hire.

Too much, it will kill the trade, all passengers I've spoken to, have said they'll use Uber instead of a black cab.

Too much. It should be only a slight increase of 15% on day rate and 10% on night rate due to financial difficulties that many people are going through after the pandemic who may be deferred from using Hackney vehicles. Also, there are many competitors in the market that operate at a very low rates.

We want the trade should not be bad effects but want only reasonable increases

With other local taxi firms Charging lower fares we will not see many people using our service. Already there has been an impact due to higher bills.

The 23 percent his too much many people will not be able to pay the extra cost

This fare increase is too much. It will result in decrease of workload and is inappropriate too when there is a great squeeze heading our way...

Too much expensive and will lose work

Inflation going high hard time for every to mage expenditure utility bills around 10% increasing should be ok for everyone

All ready expensive

It should be equivlent with 80p surcharge too high might loose customers due to inflation.

Fares on Tariff 2 do not need to increase otherwise we are going to lose a lot of work to competitors, however I think 23% increase on tarrif 1 is justified.

Core Cities & GM Fare Comparison on a 2 mile journey Data source: Individual Authority Fare Cards & Private Hire Monthly – August 2022

Core City	Tariff 1 (Day)		Tariff 2 (Night)		
core city	Flag	2 Miles	Flag	2 miles	Last Reviewed
London	£3.80	£9.80	£3.80	£11.20	2022
Nottingham	£2.00	£8.00	£2.00	£8.40	2022
Portsmouth	£4.00	£7.20	£4.00	£7.80	2022
Edinburgh	£3.00	£7.00	£4.00	£8.25	2021
Bristol	£2.80	£7.00	£3.40	£8.20	2022
Glasgow	£3.30	£6.80			2021
Sheffield	£2.60	£6.70	£3.10	£7.20	2022
Liverpool	£3.00	£6.50			2022
Leeds	£2.60	£6.40	£3.00	£6.80	2017
Newcastle	£2.20	£6.20			2022
Birmingham	£2.20	£6.20	£2.60	£7.00	2012
Average 2 mile journey		£7.00	>	£8.10	

-- denotes information could not be found online

GM	Ta (I	Last Reviewed		
	Flag	2 Miles		
Tameside	£2.00	£6.40*	2022	
Bury	£1.90	£6.10	2020	
Stockport	£2.00	£6.00	2017	
Trafford	£2.00	£5.80	2017	
Wigan	£2.00	£5.60	2022	
Rochdale		£5.50	2022	
Oldham	£1.60	£5.50*	2012	
Salford	£2.80	£5.46	2022	
Bolton	£2.00	£5.20	2008	
Average 2 mile journey		£5.70		

*Fares currently under review

Core Cities Comparison on a <u>1 hour waiting time</u> Data source: Individual Authority Fare Cards

Core City	Day	Night
London	£31.40	£38.60
Edinburgh	£25	£29
Bristol	£20	£23.20
Nottingham	£19	£21
Leeds	£17.40	£17.80
Birmingham	£15.80	£19.50
Sheffield	£14.20	£14.20
Portsmouth	£13.80	£15.20
Liverpool	£12	
Average	£18.73	£22.31

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