

**Manchester City Council
Report for Resolution**

Report to: Licensing & Appeals Committee – 30 November 2020

Subject: Amendment to Hackney Carriage Fare Tariff

Report of: Director of Planning, Building Control and Licensing

Summary

The report provides the Committee with information in relation to a recent increase in charges levied by Manchester Airport. These charges are related to all vehicles dropping off passengers on the forecourts directly in front of the three air terminals.

In order to allow Hackney Carriage drivers and proprietors to be able to recover these additional costs levied upon them by the Airport (if they are dropping off passengers on a forecourt), the current Fare Card requires amending.

Recommendations

The report provides information with regard to recommended changes to the Hackney Carriage Fare Card.

The report recommends that the Committee agree to make a recommendation to the Executive, to amend the Hackney Carriage Fare Tariff Extra - 'Manchester Airport Charge - Drop off at any terminal' from £1.80 to £3

Wards Affected: All

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

Ensuring the Hackney Trade can effectively recover costs associated with their business, supports vehicle proprietors in being able to sustain a viable business that meets the standards (including emissions requirements) of the Council's licensing regime.

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	The hackney carriage fare is set to a specific formula to ensure Hackney Carriage Proprietors can recover the costs associated with maintaining a sustainable business as a licensed Taxi. It is therefore important to ensure that all associated third party costs (eg. barrier charges to access certain ranks) are legally recoverable on the Fare Card.

<p>A highly skilled city: world class and home grown talent sustaining the city's economic success</p>	<p>Not applicable to the contents of this report.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The fare report seeks to ensure that hackney carriage drivers and proprietors do not have to bear additional costs that they cannot recover through the fares, ensuring they can operate equitably and maintain access to all the ranks at various transport terminals, enabling our fully accessible transport offer to continue end to end.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit and work.</p>	<p>The consideration of hackney carriage fares should take into account the standard of living of those associated with taxi licensing and the cost to the 'taxi user'. Any increase in fares is a direct cost increase to service users. Any decrease in fares is a direct cost decrease for those associated with the taxi trade.</p>

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

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

Licensing and Appeals committee - Review of methodology for calculating the
hackney carriage fare report 21 January 2013
Licensing and appeals Committee - Review of methodology for calculating the
hackney carriage fare report 10 November 2014
Hackney Carriage Fare Report & amendment – 4 June 2018
Report to the Executive – 27 June 2018

1. **Background**

- 1.1. The Committee will be aware that Manchester Airport Group (MAG) introduced a charging system for vehicles dropping off at the airport terminal forecourts in 2018. The system uses ANPR to identify all vehicles entering and exiting the charging zones.
- 1.2. The Committee will also be aware that any charges imposed on Hackney Carriages by a third party (i.e. barrier charges to access a rank) can only be recovered on the Hackney Carriage meter if they are indicated on the published Fare Card (following a public consultation). Tariffs have to be indicated specifically on the card to ensure the customer understands the legal applicable charges on the meter, therefore the fare card has to be amended each time any third-party charge changes.
- 1.3. Following reports to this Committee (on 4 June 2018) and then the Executive (on 27 June 2018), amendments to the Hackney Carriage Fare Card were published for a 14-day public consultation allowing a drop off charge to be applied.
- 1.4. The drop off charges in 2018 were as follows:
 - £3 for a drop off of up to 5 minutes
 - £4 for a drop off of 5 - 10 minutes
 - Disabled Blue Badge Holders (and vehicles carrying these passengers) will not have to pay the charge
- 1.5. Following relevant considerations, the Committee agreed that the lower charge only could be applied on the Fare Card. In addition, all Commercial User Groups (Hackneys, Private Hire, Offsite Park & Ride etc.) can apply for a 40% discount concession to the drop off charge. Therefore the lower discounted rate of £1.80 was permitted as an 'extra' for Airport drop off on the Fare Card in 2018.
- 1.6. The current Fare Card became effective on 16 July 2018.
- 1.7. The forecourt drop off charging scheme was introduced in July 2018, but MAG implemented a temporary work around to allow Hackney Carriages to access the drop off zones without charges until the Fare card was amended.
- 1.8. The forecourt drop off charging scheme as introduced in 2018 has not been amended until now.

2. **New Tariff**

- 2.1. On 1 November 2020 MAG increased the scale of charges for all vehicles dropping off at the forecourts at all three air terminals.
- 2.2. In their written notification MAG gave the following reasons for increasing the charges at short notice:

'The Covid-19 pandemic has had an unprecedented impact on Manchester Airport, with passenger volumes since March around 90% lower than they were in 2019. As a result of the biggest challenges we have ever faced, it has been necessary to realistically look at how we can plan our recovery which includes reviewing income from car parking, retail and other products and services. Therefore, we have made the decision to increase our drop off and pick up tariffs. As of 00.01 on Sunday 1st November 2020. Please be aware that these tariff increases will therefore impact the cost of the concessionary cards. This isn't a decision we have taken lightly but is necessary to aid our recovery and protect as many jobs as possible.'

- 2.3. MAG are retaining the same charging model which allows for Manchester Hackney Vehicle drivers to obtain a reduced commercial rate of 40% of the full rate that applies to the general public. This reduced rate is obtained on payment of an annual £30 administration fee to MAG by drivers.
- 2.4. Table 1 below shows a comparison between the old charges for the Forecourt charging scheme and the new charges.

Table 1

Old Charges June 2018 – 31 Oct 2020			New Charges 1 Nov 2020		
Cost Band	Full Cost	Discounted Cost	Cost Band	Full Cost	Discounted Cost
1-5 Mins	£3	£1-80	1-5 Mins	£5	£3
5-10 Mins	£4	£2-40	5-10 Mins	£6	£3-60
+10 Mins	£25	£25	+10 Mins	£25	£25
Blue Badge*	£0	£0	Blue Badge*	£0	£0

**This tariff applies to any vehicle carrying a disabled passenger upon presentation of the blue badge*

- 2.5. For Hackney Carriage Journeys that commence within the city boundary and conclude with a drop off at one of the air terminal forecourts, drivers are only permitted in law to demand a fare that does not exceed that stated on the current fare tariff which is determined by the city council. Currently drivers can recover £1.80 [as a permitted extra] of the charge levied by MAG for any vehicle dropping off at this location. The recent notified increase means that drivers are not currently permitted to recover the additional £1.20 increase that is being charged. The only way for this additional charge to be legitimately demanded by drivers is to increase the permitted extra by amending the fare tariff accordingly.

3. Considerations

- 3.1. As this report is only dealing with the proposed change to a permitted extra on the Hackney Carriage fare tariff, there will be no requirement to carry out an operation to reset, check and seal any taximeters. If a change in the permitted extra is agreed then only new fare tariff cards with the amended permitted extra will need to be printed and distributed to the trade.
- 3.2. As part of the wider vehicle drop off scheme MAG provide a free drop off facility located at Jet Parks One, accessed off Thorley lane, from which passengers can take a free shuttle bus to the air terminals
- 3.3. As previously explained in the Report of 4 June 2018, officers have considered the options for customer charges and have taken into account that it may be difficult for Hackney Carriage Drivers to determine and charge the correct amount prior to attending at the ANPR exit barrier. This is due to the rising scale of charges applied and that drivers will be unaware upon entry to the charging zone how long they will be present and therefore what the final charge will be upon exit of the charging zone
- 3.4. It is considered that there may be considerable administration at excessive cost, if disputes arise from drivers applying the higher rate incorrectly and/or customers believing they are being charged the higher rate of £3.60 when they shouldn't be. As Hackney Carriage Drivers will be able to pass the cost on to the customer there is also a disincentive to move through the charging zone more quickly, working against the need to reduce congestion, which was a core principle in MAG's reasons for adopting the charging scheme in 2018.
- 3.5. It is also considered that the risk of customers taking longer than 5 minutes to exit the vehicle with their luggage and pay the fare is relatively low. Where customers have disabilities and may require more time, the charge will not apply in those circumstances.

4. Other legal implications

- 4.1 There are no additional legal implications to consider.

5. Key Policies and Considerations

(a) Equal Opportunities

Not applicable to the content of this report

(b) Risk Management

There are no risk management issues in relation to this report

(c) Legal Considerations

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

6. Conclusion and Recommendation

- 6.1 The report provides information with regard to recommended changes to the Hackney Carriage Fare Card.
- 6.2 The report recommends that the Committee agree to make a recommendation to the Executive to amend the Hackney Carriage Fare Tariff Extra - 'Manchester Airport Charge - Drop off at any terminal' from £1.80 to £3