

**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 29 June 2022

**Subject:** Request for Hackney Carriage Fuel Surcharge

**Report of:** Strategic Director (Growth and Development)

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**Summary**

In its capacity as advisor to the Executive on Hackney Carriage fares, the Licensing and Appeals Committee considered a report at its meeting on 6 June 2022, which set out a request from Hackney trade representatives for a temporary fuel surcharge to be permitted ahead of a wider fare review later this year.

This report provides the Executive with the recommendation of the Licensing and Appeals Committee in respect of that request.

**Recommendations**

That the Executive (subject to no other matters being raised at the meeting) approve a temporary fuel surcharge of 80p to be applied to the Hackney Carriage Fares. That this charge be permitted until the outcome of the wider Hackney Fare Review, or the October 2022 meeting of the Executive, whichever is sooner.

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**Wards Affected – All wards**

<b>Environmental Impact Assessment</b> - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city
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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.
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<b>Our Manchester Strategy outcomes</b>	<b>Contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Hackney Carriage Fares should take into account the associated costs of running and 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	Not applicable to the contents of this report.
A liveable and low carbon city: a destination of choice to live, visit, work	<p>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.</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.</p>
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

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Report to Licensing and Appeals Committee: Request for Hackney Carriage Fuel Surcharge Report 6 June 2022  
Report to Executive: Hackney Carriage Fare Review 24 April 2017  
Reports to Licensing and Appeals Committee: Hackney Carriage Fuel Surcharge Reports: 26 August 2008 and 24 November 2008

Manchester Halcrow Formula  
AA Fuel Indexes

## **1.0 Introduction**

- 1.1 Representatives from the Hackney Trade have requested consideration of a fuel surcharge to be approved for the Hackney Fares as an urgent measure in response to the significant increases in fuel over the last 6 months. This is requested ahead of the wider Fare Review, given that that piece of work will not be reported to the Licensing and Committee, and in turn the Executive, until later this Summer.
- 1.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares for time, distance, and all other charges in connection with the hire of a hackney carriage.
- 1.3 Under the Council's current Scheme of Delegation, the Licensing and Appeals Committee makes a recommendation to the Executive, who determine Hackney Carriage Fares.

## **2.0 Background**

- 2.1 The request for a fuel surcharge must be dealt with in the same manner as a normal fare increase. When setting the Hackney Carriage Fares there is no requirement under the Act to take external factors into account and there is no limit on the amount of increase or variation.
- 2.2 The Hackney trade in Manchester have not had a full review of their fares since 2017 (amendments to the Fare card were made in 2018 and 2020 following additional extra charges being approved).
- 2.3 Circumstances beyond the Licensing Unit's direct control mean that the wider Fare Review is not due to conclude until later this Summer. Work is underway by external provider Jacobs, to source relevant component costs to be used in the Manchester Halcrow formula which provides a fare recommendation. In addition, ongoing discussion between Manchester Airport Group and Hackney Trade Representatives with regards to relevant airport related charges, need to be concluded before a full review can be reported to the Executive via the Licensing and Appeals Committee.
- 2.4 Therefore, Hackney Trade representatives have requested an urgent temporary measure given the delay with the wider Fare Review, to assist them meet the increases in fuel prices in recent months which they state are significantly impacting their business viability, not least in the ongoing recovery from the pandemic, and in the context of the general cost of living crisis.
- 2.5 Any surcharge permitted at this time, will therefore be temporary in nature as these costs will be addressed properly alongside all wider information used within the full Fare Review formula.

## 2.6 Fuel Price Indexes

The tables below provide information on the fuel price changes in the North West and nationally at various intervals since the last full Fare Review in April 2017. The data is sourced from the AA website's monthly fuel price reports. The AA in turn source the data from Experian Catalist and take an average mid-month prices from the respective regions.

<b>DIESEL PRICES</b>	<b>North West Average price pence/litre</b>	<b>UK Average Price pence/litre</b>
<b>May 2022</b>	179.8	180.4
<b>April 2022</b>	175.0	175.9
<b>March 2022</b>	174.3	173.8
<b>February 2022</b>	151.3	151.6
<b>January 2022</b>	148.7	146.0
<b>Dec 2021</b>	149.3	149.6
<b>Sept 2021</b>	136.5	136.9
<b>June 2021</b>	132.6	133.0
<b>June 2020</b>	112.2	112.7
<b>June 2019</b>	132.2	132.4
<b>June 2018</b>	131.5	131.7
<b>April 2017</b>	120.4	120.5

<b>PETROL PRICES (unleaded 95 octane)</b>	<b>North West Average price pence/litre</b>	<b>UK Average Price pence/litre</b>
<b>May 2022</b>	166.4	166.9
<b>April 2022</b>	161.9	162.2
<b>March 2022</b>	163.8	163.8
<b>February 2022</b>	147.9	148.1
<b>January 2022</b>	145.4	145.7
<b>Dec 2021</b>	145.8	146.1
<b>Sept 2021</b>	134.7	135.2
<b>June 2021</b>	130.2	130.5
<b>June 2020</b>	107.4	108.0
<b>June 2019</b>	127.9	128.4
<b>June 2018</b>	128.2	128.8
<b>April 2017</b>	118.6	118.7

## 3.0 Recommendation of the Licensing and Appeals Committee

- 3.1 On 6 June 2022, the Licensing and Appeals Committee, in its advisory capacity to the Executive, considered a report with regard to this request for a temporary fuel surcharge on the Hackney fare.
- 3.2 The Committee recommends to the Executive, that (subject to no other matters being raised at the meeting) a temporary fuel surcharge of 80p is approved to be applied to the Hackney Carriage Fares. That this charge be

permitted until the outcome of the wider Hackney Fare Review, or the October 2022 meeting of the Executive, whichever is sooner.

#### **4.0 Implementation of any change to the Hackney Carriage Fare**

- 4.1 Any proposed change in fares agreed by the Council must be advertised publicly for a period of 14 days. If there are no objections, the fares come into effect at the end of the prescribed period for making objections. If objections are received, then the Executive 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.
- 4.2 If the Executive were minded to approve a temporary fuel surcharge, this could be permitted to be applied as an additional extra on the meter to be applied to each journey. This means that this can be done manually by the driver and would not require the recalibration of meters or re-printing of fare cards at this time. A public notice could be provided in each vehicle if required, to advise passengers about the additional charge.
- 4.3 This Council last approved a temporary fuel charge in November 2008. This charge was permitted to be applied manually as extras on the meter.
- 4.4 The Executive is reminded that extras can only be added on to the meter in increments of 20p.
- 4.5 The timetable below outlines how any temporary fuel surcharge could be implemented:

6 June 2022	Licensing and Appeals Committee consider report and make recommendation to Executive
29 June 2022	Executive decision
1 July 2022	Public Notice in MEN 14-day consultation period
15 July 2022	End of consultation period. If no objections received, fuel surcharge takes effect
27 July 2022	If objections are received these are considered by the Executive.

#### **5.0 Conclusion and decision**

- 5.1 The report outlines the decision to be taken by the Executive and the recommendation of the Licensing and Appeals Committee made on 6 June 2022.
- 5.2 It is recommended that the Executive (subject to other matters being raised at the meeting) approve a temporary fuel surcharge of 80p to be applied to the Hackney Carriage Fares. That this charge be permitted until outcome of the wider Hackney Fare Review, or the October 2022 meeting of the Executive,

whichever is sooner.

## **6.0 Contributing to a Zero-Carbon City**

- 6.1 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.

## **7.0 Contributing to the Our Manchester Strategy**

### **(a) A thriving and sustainable city**

- 7.1 The Hackney Carriage Fares should take into account the associated costs of running and maintaining a business as a Taxi proprietor. Fares that accurately reflect those costs support security in driver jobs and the effective maintenance of vehicles.

### **(b) A highly skilled city**

- 7.2 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.

### **(c) A progressive and equitable city**

- 7.3 Not applicable to the contents of this report.

### **(d) A liveable and low carbon city**

- 7.4 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 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.

### **(e) A connected city**

- 7.5 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.

## **8.0 Key Policies and Considerations**

### **(a) Equal Opportunities**

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

### **(b) Risk Management**

- 8.2 If the Committee are minded to implement a surcharge today, there is little risk of fuel prices reducing significantly ahead of the wider Fare Review.

### **(c) Legal Considerations**

- 8.3 None further to those already referred to in the report.