

**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 tariff 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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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.	<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 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.</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

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 one part 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.

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

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

3.4 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

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 Consumer Price Index (CPI)

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 Comparable Earnings-related data

According to the ONS the average full time employee earnings in 2021 was £31,772. When compared with the same data used in 2016 for the last full fare review (£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 all or a portion 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 be 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

- £18.60 after 1 hour
- Tariff 2 (night)
 - £4 after 10 minutes
 - £24.60 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

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 of 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 tariff 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