

**Manchester City Council
Report for Resolution**

Report to: Licensing & Appeals Committee – 23 October 2023
Executive – 18 October 2023

Subject: Hackney Carriage Fare Review 2023

Report of: Strategic Director (Growth and Development)

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

- 1) In relation to the Hackney Carriage Fare Tariff, 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 in relation to the Fares:
 - Increase the unit cost per mile on all tariffs by 8%
 - Increase the waiting time fare by 23%
 - Increase the Day flag tariff to £3.40
 - Increase the Night flag tariff to £3.80

 - 2) In relation to Hackney Carriage Fare Tariffs, the Executive is recommended to agree:-
 - An increase in the unit cost per mile on all tariffs by 8%
 - An increase in the waiting time fare by 23%
 - An increase in the Day flag tariff to £3.40
 - An increase in the Night flag tariff to £3.80
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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 to maintain and upgrade vehicles to emissions compliant and zero emissions capable vehicles.
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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 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	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

Hackney Carriage Fare Review 2023 – Reports to Licensing and Appeals Committee (17 July 2023) and Executive (13 September 2023)
Hackney Carriage Fare Review 2022 - Reports to Licensing and Appeals Committee (September 2022) and Executive (October 2022)
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
Relevant Sections of the Town Police Clauses Act 1847

1. Introduction

- 1.1 On 17 July 2023, the Committee considered a report outlining relevant information in order to review the Hackney Fares.
- 1.2 The Committee made the following recommendations to the Executive:
- 1) Increase the unit cost per mile on all tariffs by 8%
 - 2) Increase the waiting time fare by 23%
 - 3) Increase the Day flag tariff to £3.40
 - 4) Increase the Night flag tariff to £3.80
- 1.3 The Committee also determined that acceptance of card payments would be mandatory in all licensed hackney vehicles.
- 1.4 On 13 September 2023, the Executive considered a report outlining the Licensing and Appeal's Committee's recommendations. The Executive resolved to accept the Committee's recommendations in full without making any amendments.
- 1.5 The Council must consider any objections received as part of the 14-day public consultation before any changes can be made to the fare meters.

2. Consultation

- 2.1 On 15 September 2023, a notice was placed in the Manchester Evening News advertising the proposed changes to the fares. The consultation closed at 4pm on 29 September 2023. A copy of the Notice can be found at **Appendix 1**.
- 2.2 Seven written objections to the proposed fare changes have been received by the Licensing Unit. The reasons given for not agreeing with the proposed increase are:
- Private hire companies are cheaper and therefore the increase will mean more lost business
 - Customer feedback to drivers is that they are expensive anyway
 - Upfront flag is too high and could have an adverse effect
 - Cost of other public transport is getting cheaper so believe this will kill the trade
- 2.3 Copies of the Seven emails received can be found at **Appendix 2**.
- 2.4 3 of the 7 objection emails were received in July 2023 in the days following this Committee's meeting on 17 July 2023. 4 of the 7 objection emails were received during the formal public consultation exercise in September 2023.
- 2.5 The Committee heard from Hackney trade representatives at the meeting on 17 July 2023. These trade representatives state that the majority of their members support the proposals.

- 2.6 On 15 September 2023 all 1882 licensed Hackney drivers were advised via email about the decision of the Executive and the fare proposal and advised how they could object.
- 2.7 Checks on the 7 Objection emails submitted show that with the exception of one objection, all have been verified as submitted by currently licenced Hackney Carriage Drivers. The source of the one exception has yet to be determined.
- 2.8 Two licenced drivers have submitted 2 objection emails, one in July and one in September, both objection emails have been included in this report. This means the Committee are dealing with objections from 5 individuals contained within 7 emails.

3. 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

The mechanism for ensuring that passengers in all Hackney Carriage Vehicles have the facility of paying the fare by card is to place an appropriate condition on the Hackney Carriage Proprietor licence.

The district council has the power under s.47 of the Local Government (Miscellaneous Provisions) Act 1976 to attach to the grant of a hackney carriage proprietor licence such conditions as the Council may consider reasonably necessary.

4. Conclusion and Officer Recommendation

- 4.1 The report sets out the objections received in response to the consultation on the Hackney Fare Review 2023. A small number of drivers voiced objections to the proposed increases.
- 4.2 Whilst the Committee will no doubt be mindful about the ongoing cost of living for the public, the previous report outlined all the relevant considerations in relation to the cost to the Hackney proprietor. The proposed fare changes are believed to represent a balance between a reasonable payment for a hackney

carriage journey and income for the driver and proprietor. The proposed tariff is also comparable with other core cities.

- 4.3 The Committee has previously heard from trade representatives who universally supported the proposed changes.
- 4.4 Subject to any discussions during the meeting, officers recommend that the proposed changes are confirmed:
 - 1) Increase the unit cost per mile on all tariffs by 8%
 - 2) Increase the waiting time fare by 23%
 - 3) Increase the Day flag tariff to £3.40
 - 4) Increase the Night flag tariff to £3.80
- 4.5 Officers will make arrangements with the meter companies to reconfigure Taximeters following any recommendation this Committee makes to the Executive and following further consideration and decision by the Executive.