

**Date:**

6<sup>th</sup> November 2017

**Subject:****APPLICATION FOR VARIATION OF HACKNEY CARRIAGE FARE TABLE****Strategy:**

The hackney carriage trade provide public transport to all sectors of the community including vulnerable persons. They are on occasions the only accessible form of transport available.

T.O.D.A. believes that regular reviews of fares will take into account the constantly shifting costs and passenger trends associated with the taxi trade, in providing a quality taxi service through better job security and higher vehicle standards.

Regular fare reviews should maintain the income of taxi drivers and owners. In turn, maintaining a professional aspect to taxi driving and seeking to encourage taxi drivers to commit to further education such as NVQ's and other safeguarding/customers service courses. It would also encourage owners to invest in newer and more advanced vehicles, which will encourage members of the public to use taxis when shopping or socialising in Tameside; adding to the local economy.

**Information Sources:**

- Local Government (Miscellaneous Provisions) Act 1976
- Private Hire and Taxi Monthly Magazine
- Local Authority websites/fare cards
- RAC Foundation
- Confused.com
- Office of National Statistics (ONS)
- LTI Vehicles Ltd/Stamley Auto Engineers
- Gov.uk
- My Car Check
- The AA
- Halcrow
- BBC
- Manchester Evening News (MEN)

**Introduction:**

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives the Council the power to fix the rates or fares within the district for time and distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table of fares.

When setting hackney carriage fares there is no requirement in the Act to take into account external factors, and there is no limit on the amount of increase or variation.

**Report:**

In the PHTM national league table comparing Hackney Carriage fares from all 370 Licensing Authorities, Tameside are currently placed at 215. (October 2017)

The present fares were last reviewed 5 years ago; in October 2012.

Since then, although fuel costs have dropped slightly with the average price per litre of diesel now at 120.4p, compared to 143.3p in October 2012; general living costs along with almost all other aspects of running a hackney vehicle have increased significantly, and with rising inflation will continue to do so.

- **Tameside MBC fees have increased with a 6 month vehicle plate fee up 21.3% from £141 to £171.**
- **Insurance premium tax has doubled from 6% to 12% and is set to rise to 15% in 2018. General car insurance premiums up by 10.7% with the average cost of insuring a hackney carriage in Greater Manchester at £2515, as of December 2016. (*Halcrow*).  
Fleet policies or multiple driver policies cost considerably more, with new policy holders with no experience or no claims bonus expecting to pay anything from £4,000 up to £10,000 for the first year.**
- **UK Inflation has risen on average by 2.02% year on year since 2012 and is currently at a five year high of over 3%. (*ONS*)**
- **The national minimum wage has gone up by 21.1% from £6.19 to £7.50 per hour. (*ONS*)**
- **The purchase price of a new Hackney Carriage (TX4) has risen by 27% from £35,995 in 2012 to the current price of £45,995. (*LTI*) (*MyCarCheck*)**
- **Road tax for a purpose built Hackney Carriage is up 13% from £270 in 2012 to £305 in 2017. (*Gov.uk*)**
- **Halcrow have calculated that the overall annual cost of running a Hackney Carriage averaging 35,000 miles per annum increased by 6.42% from £15,930 to £16,952 (December 2015 to December 2016.) This increase was largely due to an increase in fuel and garage/maintenance costs. (*Halcrow*)**
- **Purpose built Hackney Carriage vehicles are built using many specialist and bespoke components, almost all of which are now imported. The rising cost of manufacturing these specialist parts coupled with the affect Brexit has had on the value of the pound and importing goods, means that the already inflated parts prices have increased considerably since 2012.**

**Examples of price increases for Hackney Carriage Vehicle (TX4) parts from January 2012 to October 2017, taken from “The London Taxi Company Genuine Parts Retail Price List Effective 1<sup>st</sup> January 2012” and “StanleyAutoEngineers.co.uk (LTC Approved Service Dealer) Retail Price List October 2017.”**

***\*all prices shown are exclusive of VAT @ 20.00%***

<b>PART NUMBER</b>	<b>DESCRIPTION</b>	<b>PRICE 2012</b>	<b>PRICE 2017</b>	<b>% INCREASE</b>
980528	Matrix Front Heater	£30.89	£49.50	60.25%
980603	Clutch Fork Lever	£80.58	£172.69	114.31%
7002798	Fan Assembly	£361.00	£409.90	13.55%
980623	Turbocharger Assembly	£389.86	£426.50	9.40%
980043	Crankshaft Assembly	£466.00	£994.82	113.48%
980320	New Manual Transmission	£1333.70	£4456.15	225.27%
980744	New Automatic Transmission	£3044.00	£6250.00	105.32%
980468	New Engine	£3845.00	£5213.12	35.58%

**The price of a full service (TX4 Manual) at 10,000/12,000 mile intervals at an LTC Approved Service Dealer has risen by 26.26% from £99.00 to £125.00.**

Throughout October 2017, TODA have been consulting with hackney carriage owners and drivers within the borough, for a variation in the hackney carriage fare table.

Details of the proposed fare variation were explained to the trade in a presentation by TODA representatives at a meeting held 8.00pm on Wednesday 11<sup>th</sup> October 2017 at Ashton's Hillgate Street Community Centre. Notices were posted on social media groups and flyers were also handed out on taxi ranks, outlining the proposals and asking drivers and owners for their feedback by means of a ballot.

**There were a total of 116 TODA hackney members balloted, with 100% supporting our proposed variations for Tariff 1 and Tariff 2. (Day and night rates)**

**93 members (80%) supported our proposal to reduce Tariff3. (Christmas and New Year)**

**23 members (20%) thought we should leave Tariff 3 as it currently is; day rate + 153%**

It is as a result of this consultation period and taking into account feedback received from owners and drivers that this proposal for a variation in hackney carriage fares is presented to the Speakers Panel.

A complete summary comparing current rate with the proposed variation are attached on Pages 9 and 10 of this report.

## Tariff 1

Normal day rate; operates from 6.00am to 10.59pm.

AGMA	Flag Fall	3 Mile	Running Mile	Last Review
Tameside (current)	2.00	7.60	2.01	2012
Tameside (proposed)	2.00	8.40	2.20	2012
Stockport	2.00	8.80	2.59	2017
Manchester	2.30	7.90	1.97	2017
Oldham	1.60	7.70	2.15	2012
Bury	1.90	7.30	2.10	2008
Trafford	2.00	7.10	2.15	2013
Bolton	2.00	7.00	1.85	2008
Wigan	1.80	6.90	1.81	2011
Rochdale	1.80	6.80	1.85	2011
Salford	2.40	5.30	1.61	2012

(\* Oldham Hackney Carriages add between 12.5 and 50% to all fares when hiring an MPV or purpose built hackney vehicle, carrying between 5 and 8 passengers.)

It is proposed to increase Tariff 1 by 9.5% from £2.01 to £2.20 per mile. This is done by reducing the yardage from 175yds to 160yds.

The flag fall will remain unchanged at £2.00; the flag fall yardage will be reduced from 520yds to 320yds.

	Flag Fall	1 mile	2 mile	3 mile	4 mile	5 mile	6 mile	7 mile	8 mile	9 mile	10 mile
Current	2.00	3.60	5.60	7.60	9.60	11.60	13.60	15.60	17.60	19.60	21.60
Proposed	2.00	4.00	6.20	8.40	10.60	12.80	15.00	17.20	19.40	21.60	23.80

## Tariff 2

Night rate; operates from 11.00pm to 5.59am and on all Public Holidays.

AGMA	Flag Fall	3 Mile	Running Mile	Last Review
Tameside (current)	2.70	9.50	2.51	2012
Tameside (proposed)	2.70	10.50	2.70	2012
Stockport	2.60	11.60	3.45	2017
Manchester	2.80	10.40	2.62	2017
Oldham	1.60	9.10	2.59	2012
Bury	2.30	8.70	3.28	2008
Trafford	2.00	9.50	2.50	2013
Bolton	2.60	8.40	2.26	2008
Wigan	2.25	8.55	2.32	2011
Rochdale	1.80	8.50	2.35	2011
Salford	3.00	8.30	1.90	2012

(\* Oldham Hackney Carriages add between 12.5 and 50% to all fares when hiring an MPV or purpose built hackney vehicle, carrying between 5 and 8 passengers.)

It is proposed to increase Tariff 2 by 7.6% from £2.51 to £2.70 per mile. This is done by reducing the yardage from 140yds to 130yds.

The flag fall will remain unchanged at £2.70; the flag fall yardage will be reduced from 520yds to 320yds.

	Flag Fall	1 mile	2 mile	3 mile	4 mile	5 mile	6 mile	7 mile	8 mile	9 mile	10 mile
Current	2.70	4.70	7.30	9.70	12.30	14.70	17.30	19.70	22.30	24.70	27.30
Proposed	2.70	5.10	7.90	10.50	13.30	16.10	18.70	21.50	24.10	26.90	29.50

**Tariff 3**

There is no comparison available for Tariff 3 across Greater Manchester.

**Current;**

Christmas & New Year rate = Normal day rate +150%

Operates between 7.00pm on 24 December and 5.59am on 26 December and for each hire commenced between 7.00pm on 31 December and 5.59am on 2 January.

£4.00 flag fall

£4.00 for first 680yds

40p for each subsequent 140yds

Waiting time; 40p every 54 seconds or £26.40 per hour

	<b>Flag Fall</b>	<b>1 mile</b>	<b>2 mile</b>	<b>3 mile</b>	<b>4 mile</b>	<b>5 mile</b>	<b>6 mile</b>	<b>7 mile</b>	<b>8 mile</b>	<b>9 mile</b>	<b>10 mile</b>
<b>Current</b>	4.00	7.60	12.60	17.60	22.60	27.60	32.60	37.60	42.60	47.60	52.60
<b>Proposed</b>	2.70	5.90	9.50	12.90	16.50	19.90	23.50	27.10	30.50	34.10	37.50

**Proposed;****“Holiday rate”**

Would operate from midnight to midnight (00.00 to 23.59) on all public holidays, and from 2.00pm on 24<sup>th</sup> December to 5.59am on 27<sup>th</sup> December and 2.00pm on 31<sup>st</sup> December to 5.59am on 2<sup>nd</sup> January.

It is proposed to reduce Tariff 3 by 42.9% from £5.03 to £3.52 per running mile.

This will be achieved by making the following changes;

**£2.70 flag fall**

**£2.70 for first 300yds**

**20p for each subsequent 100yds**

**Waiting time; 20p for every 30 seconds or £24.00 per hour**

This proposal is specifically aimed at making hackney carriage fares more competitive around Christmas and New Year, with hackney carriage tariffs and operating times being more in line with those adopted by the major Private Hire Operators within the borough.

### Waiting Times

It is proposed to make the following variations to waiting times;

**Tariff 1** - waiting time to be calculated at £16.00 per hour (currently £14.10),  
or 20p for each 45 second period (currently 50 seconds.)

**Tariff 2** - Waiting time to be calculated at £20.00 per hour (currently £17.10),  
or 20p for each 42 second period (currently 36 seconds.)

Congestion is worse than ever in Greater Manchester, which now has worst traffic in the UK outside London. With the A57 in Mottram in Longdendale at its junction with the M67 topping a BBC list of Manchester's most congested roads and the M67/M60 Denton junction named as the country's worst traffic black spot in 2014.

It is estimated that congestion costs the city's economy £1.3 billion a year with Greater Manchester residents losing nearly 40 hours a year as a result of congestion; with this figure much higher for taxi drivers.

Increased congestion exacerbates fuel consumption and engine wear creating an increase in CO2 exhaust emissions. When in slow moving or stationary traffic vehicle engines are not able to perform at their optimum speed or temperature, blocking vital emissions reduction equipments like Exhaust Gas Recirculation Valves (EGR) and Diesel Particulate Filters (DPF) which can cost hundreds of pounds to replace.

Without fully working EGR valves or DPF filters taxis will fail to meet the council's newly introduced emissions test policy.

An increase in waiting time will help owners offset the increased running costs, repair bills and lost earning potential caused by worsening congestion. It is also anticipated that through increased fares, owners will be encouraged to purchase greener more fuel efficient vehicles.

Manchester City Council waiting time costs are £18.60 per hour for days and £24.60 per hour for nights.

### **Extra Charges**

In addition to the request for a variation in tariffs, the current fare table only specifies extra charges for five and six-seater hackney vehicles. As the Council's vehicle policy now allows hackneys to be licensed from four to eight passenger seats it is proposed that extras also be updated to allow for the following maximum charges;

- **£0.60 for 4 seaters**
- £0.80 for 5 seaters
- £1.00 for 6 seaters
- **£1.20 for 7 seaters**
- **£1.40 for 8 seaters**

**These additional extra charges will facilitate the increased costs associated with carrying more passengers and running/maintaining a larger Hackney Carriage vehicle.**

There is currently an extra charge of 20p for prams, animals and for each additional passenger, with two children under 10 counting as one passenger (for fare purposes only.) There is no extra charge for wheelchairs, guide or hearing dogs.

**It is proposed extra charges for prams and children under 12 be completely removed.**

### **Soiling Charge;**

**It is proposed to increase the soiling charge from £20 to £30** (only if the inside of the cab needs cleaning.)

This fee has remained unchanged for a considerable amount of time now, and whilst it is very rarely necessary for a soiling charge to be made, it is important that the amount not only acts as a deterrent in the first place, but also reflects the financial implications and inconvenience suffered by drivers.



## Tariff 1 – Day Rate – 06.00 to 22.59

	CURRENT	PROPOSED
FLAG FALL COST	£2.00	£2.00
FLAG FALL YARDAGE	520yds	320yds
SUBSEQUENT YARDAGE	175yds	160yds
PRICE PER UNIT	20p	20p
WAITING TIME PER HOUR	£14.10	£16.00
RUNNING MILE	£2.01	£2.20

	Flag Fall	1 mile	2 mile	3 mile	4 mile	5 mile	6 mile	7 mile	8 mile	9 mile	10 mile
Current	2.00	3.60	5.60	7.60	9.60	11.60	13.60	15.60	17.60	19.60	21.60
Proposed	2.00	4.00	6.20	8.40	10.60	12.80	15.00	17.20	19.40	21.60	23.80

## Tariff 2 – Night Rate – 23.00 to 05.59

	CURRENT	PROPOSED
FLAG FALL COST	£2.70	£2.70
FLAG FALL YARDAGE	520yds	320yds
SUBSEQUENT YARDAGE	140yds	130yds
PRICE PER UNIT	20p	20p
WAITING TIME PER HOUR	£17.10	£20.00
RUNNING MILE	£2.51	£2.70

	Flag Fall	1 mile	2 mile	3 mile	4 mile	5 mile	6 mile	7 mile	8 mile	9 mile	10 mile
Current	2.70	4.70	7.30	9.70	12.30	14.70	17.30	19.70	22.30	24.70	27.30
Proposed	2.70	5.10	7.90	10.50	13.30	16.10	18.70	21.50	24.10	26.90	29.50

## Tariff 3

Currently Operates between 7.00pm on 24 December and 5.59am on 26 December and for each hire commenced between 7.00pm on 31 December and 5.59am on 2 January.

Proposed Tariff 3 - Would operate from midnight to midnight (00.00 to 23.59) on all public holidays, and from 2.00pm on 24<sup>th</sup> December to 5.59am on 27<sup>th</sup> December and 2.00pm on 31<sup>st</sup> December to 5.59am on 2<sup>nd</sup> January.

	CURRENT	PROPOSED
FLAG FALL COST	£4.00	£2.70
FLAG FALL YARDAGE	680yds	300yds
SUBSEQUENT YARDAGE	140yds	100yds
PRICE PER UNIT	40p	20p
WAITING TIME PER HOUR	£26.40	£24.00
RUNNING MILE	£5.03	£3.52

	Flag Fall	1 mile	2 mile	3 mile	4 mile	5 mile	6 mile	7 mile	8 mile	9 mile	10 mile
Current	4.00	7.60	12.60	17.60	22.60	27.60	32.60	37.60	42.60	47.60	52.60
Proposed	2.70	5.90	9.50	12.90	16.50	19.90	23.50	27.10	30.50	34.10	37.50