

TRAFFORD COUNCIL

DELEGATED EXECUTIVE MEMBER DECISION REPORT

Report to: Executive Member for Housing and Neighbourhoods
Date: 11/07/2022
Report for: Decision
Report of: Corporate Director, Place

Report Title

Review of Taxi Fare Structure – 2022

Summary

The Executive Portfolio Holder for Housing and Neighbourhoods is asked to review the current Taxi Fare Tariffs, taking into account relevant factors, and the request made by the Association of Trafford Taxi Drivers (ATTD) on 8th March 2022.

The last review of fares was approved in October 2017.

This report provides details of the review process undertaken, which advises that the taxi fare structure be increased by 10.47% on average across journeys of 1 to 25 miles, compared to 2017.

Recommendation(s)

It is recommended that:

- 1. The Executive Portfolio Holder for Housing and Neighbourhoods approve the variation to the current Fare table shown at Annex 2;**
- 2. That the recommended variation to the current Fare table shown at Annex 2 be subject to a statutory public consultation period of 14 days by way of public notice;**
- 3. That if no objection to the variation is made, or if all objections are withdrawn, the recommended Fare table shown at Annex 2 will become effective on the date specified in the notice; and**
- 4. If any objections are made and not withdrawn, a further report will go to the Executive Member for consideration of the objections.**

Contact person for access to background papers and further information:

Name: Clare Whittle
 Extension: 3817

Implications:

Relationship to Corporate Priorities	All our business and town centres will be supported to recover and flourish in an inclusive way. Increasing the Fare charges will allow drivers to offset the increasing costs of running a hackney carriage and still be able to maintain their living standards. This also provides a service to the community of Trafford.
Relationship to GM Policy or Strategy Framework	Supports the aim across GM to use local taxi services, rather than using those licenced by other non GM Licensing Authorities.
Financial	There will be costs associated with the following: <ul style="list-style-type: none"> • Cost associated with the statutory advertisement of the fare increase. • Resource implication relating to the checking and sealing of the meters if the variation is implemented. • The cost of recalibrating the meters will be met by the vehicle proprietors. Other than minimal administration costs associated with the process for changing the Taxi Fare structure there are no other costs that impact on the Council.
Legal Implications:	The Council has powers under section 65 of the Local Government Miscellaneous Provisions Act 1976 to set taxi fares within the Borough. The steps that the council needs to undertake when considering changing the rates or fares are set out in the main body of the report. In particular, the council is required to publicise the proposal and consider any comments and objections received. This ensures that there is a fair, robust and transparent decision making process.
Equality/Diversity Implications	There are some impact on user of Hackney Carriages, but were considered to be low in the EIA Assessment.
Sustainability Implications	Any tariff rise will benefit the Hackney Carriage Trade by offsetting the increasing costs associated with the operation of a hackney carriage vehicle.
Carbon Reduction	Users may turn to other public transport for example the tram network. This would reduce the carbon footprint.
Resource Implications e.g. Staffing / ICT / Assets	Enforcement activities and monitoring will ensure that the maximum permissible tariff is not exceeded
Risk Management Implications	Enforcement activities and monitoring will ensure that the maximum permissible tariff is not exceeded
Health & Wellbeing Implications	The cost of living and fuel increase will be less of an impact if the fares are increased, which will reduce the

	burden on their mental health as to how they will manage to keep their vehicles on the road whilst making a living.
Health and Safety Implications	This will enable the trade to continue to trade and cover the costs of their vehicles, which means that the night-time economy will still have access to these vehicles and protect vulnerable people as well as residents in the community to get home safely.

1.0 Background

- 1.1 The Council is responsible for setting hackney carriage fares by virtue of Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.2 The fares set by the Council are the maximum fares a driver can charge for a journey taken in a hackney carriage vehicle licensed by Trafford Council. If a driver chose to charge less than the authorised rate, he/she would be permitted to do so, which some drivers do by way of a discounted fare. It is, however, an offence for a driver to charge more than the authorised rate.
- 1.3 There has been no increase to the taxi fare structure since the last approved changes on 5th October 2017. The current fare structure is in Annex 1.
- 1.4 An email request was received on the 8th February 2022 from the Association of Trafford Taxi Drivers (ATTD) to review the taxi fare structure. This request can be seen attached in Annex 3. The Council followed this up by inviting the representative to the Council to meet with officers to establish background data and costs to drivers in order to establish whether a new fare structure was required.
- 1.5 An informal consultation with all licenced hackney carriage drivers and proprietors commenced on 17th May 2022 and the closing date for responses was 31st May 2022.
- 1.6 The Council currently have 96 licenced hackney carriage vehicles and 585 licensed hackney carriage drivers. A total of 29 responses were received in respect of this consultation and is broken down as follows:

Do you support this application for a variation of the hackney carriage fare table?	
I do agree	23
I do not agree	4
No indication	2

- 1.7 The comments submitted as part of the proposal can be found in Annex 4

2.0 Proposed Fare Structure

2.1 Following meetings with the trade representative from ATTD a proposed Fare table was agreed (attached at Annex 2), with the % changes to current fares (set in 2017) summarised below:

- the taxi fare structure to be increased by 10.47% on average across journeys of 1 to 25 miles broken down as follows:

Journey Distance	Proposed Fare (£)	% Increase from 2017
2 Mile Journey	6.60	15.79 %
3 Mile Journey	9.10	13.75 %
5 Mile Journey	14.00	12.00%
10 Mile Journey	26.20	9.62 %
25 Mile Journey	62.90	8.64 %

- Other changes proposed by drivers include:
 - Changes to Tariff 2, hours from the current 11pm- 6am to proposed 10pm- 6am.
 - Increase to soiling charge from the current £30 to proposed £50.
 - Change of the chargeable distance and the subsequent thereafter (or uncompleted part thereof)

The proposed change in fare structure is broken down as follows:

	Current		Proposed	
	yards	£	yards	£
First Flag Fall	800	2.20	900	3.00
Subsequent Yardage	155	0.20	144	0.20

2.2 The Council has used an analysis chart with finance officers to compare the request made by the trade and an independent analysis of the cost of running a taxi to determine the variation of fares.

2.3 The data used is as independent as possible of the Council and Taxi representative bodies, and uses robust data sources such as the AA and the Office for National Statistics.

2.4 The Trade representatives have requested that the Council reviews Taxi fares in line with the Taxi Fare table. It is proposed that the new fare table will come into effect from August 2022.

3.0 Comparison with Greater Manchester

3.1 A comparison of the proposed Fare table with that of other Greater Manchester Boroughs is shown at Annex 5. The variation to Fare table requested by the

trade representatives following the review of costs and changes in the driving environment has been compared to the average cost of a 2 mile journey with the other nine Metropolitan Borough areas within Greater Manchester. The detailed comparison is at Annex 5, however, it can be summarised as:

- The proposed Fare table shows Trafford will be the 2nd highest price for a 2 mile journey, but it must be noted that the most recent increase in seven of the authorities took place 2020 and one of the authorities has not increased fares since 2012. Two authorities which implemented a fare increase in 2022 are comparatively the same in terms of their percentage increase.

The waiting time per minute charge has been proposed to be increased from 28p per minute to 30p per minute

4.0 Other Relevant Factors

4.1 When considering any hackney carriage fare increase, the following factors should be considered:

a) The Cost of Fuel

The average price of fuel between May 2017 and April 2022 is detailed in the table below:

This information has been taken from: [Compare latest petrol and diesel fuel prices | The AA](#)

	Petrol per litre	Diesel per litre
May 2017	116.3	117.4
May 2018	125.5	128.3
May 2019	128.8	134.3
May 2020	106.7	112.0
May 2021	128.4	130.8
May 2022	166.9	180.4

b) Insurance Premiums

Taxi insurance tends to be more expensive as it statistically holds higher risk of an accident, due to the fact that the taxi drivers cover more miles than most motorists. The insurance company will also take into account other factors which can heavily affect the premium such as miles, age of the vehicle, type of vehicle and where they are located. Taxi drivers are more likely to clock more miles and own a larger vehicle, which will mean that they sit within a higher insurance group. This will ultimately affect the cost of the insurance.

c) Cost of Living

The office of National statistics records inflation as running at 7.9% (Consumer Price Index). The previous increase was completed in 2017 and during that time it was recorded at 2.7%. The rise in inflation therefore will affect living standards and the average take home pay is likely to fall in terms of the increase.

Equality Impact Assessment

An Equality Impact Assessment has been completed and impacts have been considered low. This can be found attached to this report Appendix 6. The Equality Impact Assessment (EIA) showed that the negative impacts of the fare increase would be low. It showed it would have low impact on the users, however it would allow us to support the provision of taxi drivers across Trafford.

Other Options

The alternative options are:

- (1) Keep the existing fare.

The potential consequence of this could be that the taxi trade would struggle to run a taxi service or maintain their vehicles because of the cost of living crisis, which could impact on the availability of taxis in Trafford.

- (2) Approve a higher increase than recommended

- (3) Approve a lower fare increase than recommended.

The potential consequence of a lower increase would be that this would not cover the trade costs meaning that a journey would not be cost effective for them to work. The potential consequence of a higher increase would mean that the public would not be able to afford to use the trade services, resulting in a loss of business.

Consultation

An informal consultation was undertaken from 17th May to 31st May 2022. The responses can be seen in Annex 4 to this report.

There is a statutory requirement to go out to public consultation for 14 days by way of public notice.

Reasons for Recommendation

The recommendations enable the Executive Portfolio Holder for Housing and Neighbourhoods to approve the setting of taxis fares within the Borough under section 65 of the Local Government Miscellaneous Provisions Act 1976.

The recommendation is being made as the council accept that there has been a cost of living and fuel cost increase which all impact on the cost of running a Hackney Carriage Vehicle and the driver being able to make a living from the profession. This increase will also enable us to maintain and support the provision of hackney carriages in Trafford.A period of consultation is essential to ensure the views of all potentially affected parties are sought before a decision is made.

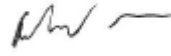
Key Decision (as defined in the Constitution): Yes / **No** (please delete)

If Key Decision, has 28-day notice been given? Yes / No *(please delete)*

Finance Officer Clearance *(type in initials).....PC.....*

Legal Officer Clearance *(type in initials).....TR.....*

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*



To confirm that the Financial and Legal Implications have been considered and the Corporate Director has cleared the report prior to issuing to the Executive Member for decision.

TRAFFORD
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TABLE OF FARES

A discount of 20p shall be given to passengers over 60 or disabled passengers who present (at the start of the journey) a National Concessionary Travel Pass issued after 1st April 2008

**Charge
(Inclusive of V.A.T.)**

FOR A DISTANCE OF UP TO 800 YARDS (732 METRES)	£2.20
For the first 800 yards (732 metres)	£2.20
For each subsequent 155 yards (142 metres) thereafter (or uncompleted part thereof)	20 pence
WAITING TIME For each period of 1 minute (or uncompleted part thereof)	28 pence
EXTRA CHARGES (for the whole distance) for hirings commencing between 11 pm and 6 a.m.	Normal daytime rates plus 33 1/3
For hirings commencing after 7 p.m. on Christmas Eve and New Year's Eve and all day on Christmas Day, Boxing Day and New Year's Day	Double normal daytime rates
SOILING CHARGE	£30.00
WHERE MORE THAN ONE PERSON IS CARRIED, a charge of 20p may be levied for each additional person up to a maximum of 80p for vehicles licensed to carry up to five persons and a maximum of £1.00 for vehicles licensed to carry up to six persons (‘Babies’, i.e. children not capable of using a seat belt, shall be defined as persons for occupancy purposes but shall not be classed as fare paying passengers)	20 pence per additional person

If you have an enquiry about the fare you were charged please ring Trafford Council on:
0161 912 4242

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EFFECTIVE FROM

TABLE OF PROPOSED FARES

A discount of 20p shall be given to passengers over 60 or disabled passengers who present (at the start of the journey) a National Concessionary Travel Pass issued after 1st April 2008

	Charge (Inclusive of V.A.T.)
FOR A DISTANCE OF UP TO 900 YARDS (823 METRES)	£3
For the first 900 yards (823 metres)	£3
For each subsequent 144 yards (132 metres) thereafter (or uncompleted part thereof)	20 pence
WAITING TIME	
For each period of 1 minute (or uncompleted part thereof)	30 pence
EXTRA CHARGES (for the whole distance) for hirings commencing between 10pm and 6 a.m.	Normal daytime rates plus 33 1/3
For hirings commencing after 7 p.m. on Christmas Eve and New Year's Eve and all day on Christmas Day, Boxing Day and New Year's Day	Double normal daytime rates
SOILING CHARGE	£50.00
WHERE MORE THAN ONE PERSON IS CARRIED, a charge of 20p may be levied for each additional person up to a maximum of 80p for vehicles licensed to carry up to five persons and a maximum of £1.00 for vehicles licensed to carry up to six persons (‘Babies’, i.e. children not capable of using a seat belt, shall be defined as persons for occupancy purposes but shall not be classed as fare paying passengers)	20 pence per additional person

If you have an enquiry about the fare you were charged please ring Trafford Council on:
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Annex 5

Comparison of Taxi Fares across Greater Manchester Authorities – Tariff 1

Local Authority	2 Mile Fare £	Waiting per minute	Soiling Charge	Extra Passenger Charge	Last Review
Bolton	£6	44 secs 20p	£40	No Extra Charge	2020
Bury	£6.10	30p	£0	No Extra Charge	2020
Manchester	£5.90	38.89 sec 20p	£30	20p after 1 Passenger	2018
Oldham	£5.50	45sec 20p	£25	10p after 1 Passenger	2012
Rochdale	£5.00	20p	£30	10p after 1 Passenger	2018
Salford	£5.46	11/2mins 20p	£50	10p after 1 Passenger	2018
Stockport	£6	48 secs 20p	£10	20p after 1 Passenger	2017
Tameside	£6.80	45 sec 20p	£30	20p after 1 Passenger	2022
Wigan	£6	29 secs 10p	£30	£1.50 after 5 Passengers	2022
Trafford Proposed	£6.60	30p	£50	20p after 1 Passenger	2022
Trafford Current	£5.70	28p	£30	20p after 1 Passenger	2017