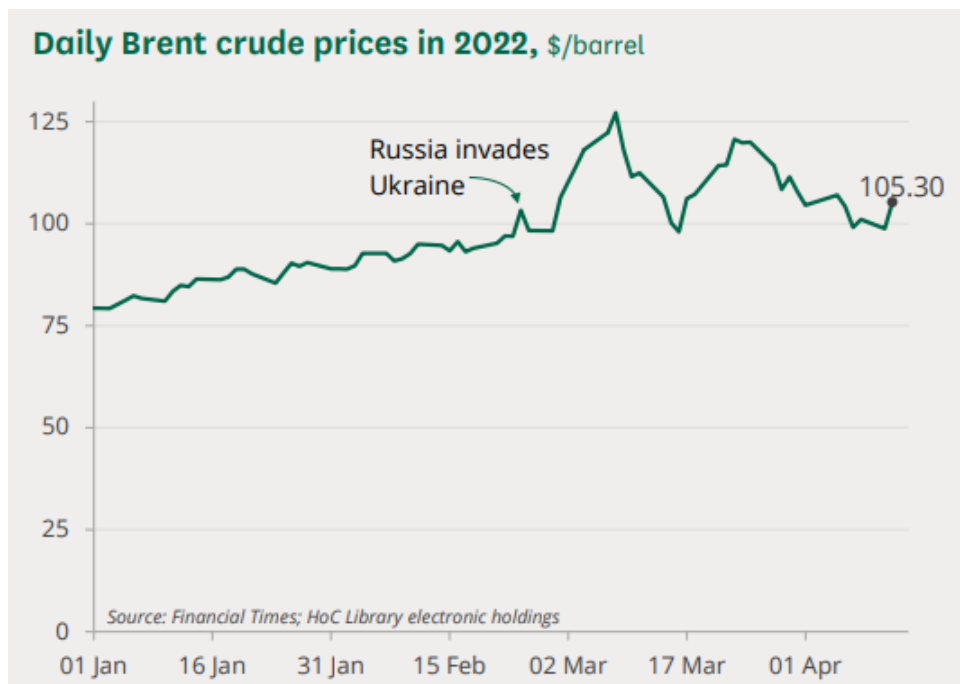


**Fuel price increases**

**Overview of the issue**

Petrol and diesel prices both fell over the first two months of the first lockdown. At the end of May 2020, they were at their lowest level for around five years: the UK average was 104.9 pence for a litre of petrol and 111.7 pence for diesel. Prices increased steadily during most of 2021 and particularly rapidly in autumn 2021. After stabilising for a short period around the turn of the year prices have increased from mid-January onwards as tensions between Russian and Ukraine increased. Prices jumped again after Russia invaded Ukraine on 24 February.<sup>1</sup>

Petrol reached another weekly record price of 165.4 pence per litre on 21 March 2022. Diesel reached a weekly record price of 177.5 pence per litre on the same day. The price of oil increased sharply after Russia invaded Ukraine and this fed through to higher road fuel prices very quickly.<sup>2</sup>



<sup>1</sup> House of Commons Library briefing ‘Rising Cost of Living in the UK’ 14<sup>th</sup> April 2022 [CBP-9428.pdf \(parliament.uk\)](#)

<sup>2</sup> House of Commons Library briefing ‘Rising Cost of Living in the UK’ 14<sup>th</sup> April 2022 [CBP-9428.pdf \(parliament.uk\)](#)

<sup>3</sup> House of Commons Library briefing ‘Rising Cost of Living in the UK’ 14<sup>th</sup> April 2022 [CBP-9428.pdf \(parliament.uk\)](#)

On 23<sup>rd</sup> March in the Spring Statement, the Chancellor announced further measures to try to alleviate the cost of living crisis being faced by households. This included cutting fuel duty by 5p a litre.

### **Local impacts:**

Census data show that the city has relatively low car ownership and has a good bus network and eight train stations, in addition to access to sustainable and active travel options for some journeys and therefore the effect on some individuals/households may not be as significant as other parts of the country.

It is possible that fuel price increases may deter some longer distance vehicular journeys from being made that are related to the visitor economy.

### **Taxi fares**

As a direct consequence of rising fuel prices the Hackney Carriage Fare Review in February asked for a higher fare increase than originally proposed. [Brighton & Hove City Council - Agenda for Licensing Committee \(Non Licensing Act 2003 Functions\) on Thursday, 17th February, 2022, 3.00pm \(brighton-hove.gov.uk\)](#)

The amendment to the report advised Fare Reviews have always been a process of catch-up and can usually take up to six months to initiate and implement. Since the current Fare Review was initiated in September 2021 there has been a great change in the CPI (Consumer Price Index). The initial proposal was a 3.5% increase based below the CPI at the time. The CPI is now predicted to hit 7% in the Spring. The trade are now asking for an urgent amendment to the original proposed fare increase of 5% instead of 3.5% originally requested. This has resulted in the mileage rate increasing from £2.40 per mile to £2.60 per mile. The One mile charge was £5.00 it is now £5.20.

### **Bus fares**

On 11<sup>th</sup> April Brighton and Hove Buses increased fares by an average of 4.9%. It was the first increase in 27 months and a direct result of rising inflation and cost of operation.

### **Local impacts:**

It is not possible to assess the effects of fuel price increases on individual or community/organisational behaviour without detailed information. It is likely that some decisions will have been made to reduce travel for non-essential vehicular journeys, although no formal or anecdotal information is available to confirm this.

### **National mitigations:**

Fuel duty will be cut by 5p per litre until March 2023. This cut, plus the freeze in fuel duty in 2022-23, is estimated by the Government to be a saving in cost over the next 12-months of approximately:-

- £100 for the average car driver
- £200 for the average van driver
- £1,500 for the average haulier

**Local mitigations:**

As stated above, the city's transport system can currently offer a number of possible alternatives to vehicles for individual, essential and non-essential travel.

In the longer term, these options will become more widely available through increased investment in infrastructure for sustainable, active and public transport for individual and organisational/commercial journeys (such as deliveries) and will provide suitable alternatives to motorised vehicular trips for some journeys. The council's recently approved Local Cycling & Walking Infrastructure Plan and Bus Service Improvement Plan will help support this.

**Gaps:**

Current available data does not enable the granular analysis of travel patterns that would be required to assess the effects of fuel price increases on certain communities or geographical or protected groups. It is also possible that changes in travel behaviour associated with post-Covid activities, such as journeys to work, will mask any specific changes that reflect fuel price increases.

**Conclusions:**

There is insufficient data to enable a full analysis of the effects of fuel price increases on essential or no-essential travel patterns, but current trends in investment and policy direction will enable alternative access to transport for some journeys in the city.

