# Taxi Fares and Tariffs Consultation 

## Transport for London

London Taxi and Private Hire

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## 1. Introduction

1.1. This consultation document sets out proposals relating to the annual revision of taxi (black cab) fares and tariffs in London.
1.2. The proposals in this document cover the possible taxi tariff revisions which would take effect in April 2014.
1.3. Comments are invited from all who have an interest in these matters.
1.4. The procedure for responding to this consultation is set out in section 14 and consultation responses must be received by Wednesday 20 November 2013.

## 2. Background

2.1. Taxi and private hire services in London are licensed and regulated by London Taxi and Private Hire (LTPH), part of Transport for London (TfL). TfL is the transport agency of the Mayor of London.
2.2. We license London taxis (hackney carriages) and taxi drivers under the Metropolitan Public Carriage Act 1869. Section 9 of this Act allows us to make regulations which fix the rates or fares to be paid for hackney carriages (i.e. taxis). The London Cab and Stage Carriage Act 1907 allows us to make regulations to fix the fares to be paid for the hire of taxis fitted with taximeters, on the basis of time or distance or both. The London Cab Order 1934 (the 1934 Order) is the main set of regulations made under these Acts and (as amended) sets the fares regime that covers most taxi journeys in London.
2.3. Section 10 of the Transport Act 1985 allows us to make a scheme which allows for shared taxi journeys whilst the London Taxi Sharing Scheme Order 2005 allows for fixed fare shared journeys.
2.4. Annex A summarises the regulations governing taxi fares.
2.5. London has about 25,000 licensed taxi drivers and around 22,500 taxis. Drivers can be licensed to ply for hire anywhere in London (All London/Green Badge, of which there are around 21,800 drivers) or in one or more of nine suburban sectors (Suburban/Yellow Badge drivers, of which there are around 3,700$)^{1}$. All licensed taxi drivers must only pick up passengers within the areas they are licensed to ply for hire, however they may drop off passengers in all areas.
2.6. There are estimated to be approximately 185,000 passenger-carrying taxi journeys per day, with an average taxi fare of almost $£ 13.00$ per journey and an average journey length of about 3 miles. Although all

[^0]taxis can carry five passengers and some can hold six, there are one or two passengers in a typical hiring ${ }^{2}$.
2.7. In 2012 the overall passenger satisfaction score for London's taxi services was 85 out of $100^{3}$ and the overall satisfaction score has remained fairly consistent since 2002. The 2012 survey showed that around one third ( 35 per cent) of taxi users thought taxi fares were about right, with almost two thirds ( 65 per cent) thinking taxi fares were either a little too expensive or much too expensive ${ }^{4}$.

## 3. Annual revisions - general change in tariffs

3.1. Previous tariff reviews have adhered to three basic principles which are:

- Using the taxi cost index to guide the increase in average fares
- Maintaining reasonable differentials between the day, evening/weekend and late night tariffs
- Maintaining a reasonable progression of fare with journey length
3.2. A list of the current status of the cost index elements is attached as Annex B. The final cost index figures will be published in December and will include the latest figure available for the cost of fuel, which could result in the final average fare increase figure differing from the figure currently shown in the table in Annex B.
3.3. The increased tariffs in the evenings, at weekends and at night are intended to encourage drivers to work at these times, when the supply of available taxis has been poor.
3.4. The cost index has been used for several years and provides a mechanism for calculating tariff changes and takes into account fluctuations to the cost of operating a taxi. However, the cost index does not allow driver or public opinion to be taken into account when reviewing tariffs and does not necessarily reflect the general economic or social state at the time.
3.5. Any review and change to taxi tariffs needs to based on robust information and it would not be acceptable to impose arbitrary changes or increases. The cost index provides a well established mechanism for reviewing taxi fares and tariffs and the average fare increase based on the cost index is currently shown as 1.0 per cent.
3.6. Full details of the proposed tariff changes based on the cost index are shown in Annex C.

[^1]3.7. We invite your views on the general change in tariffs including on:

- The principle of a revision based on the cost index
- Whether you feel alternative approaches to reviewing taxi fares and tariffs should be considered and any alternative suggestions you wish to put forward
- Whether you feel the days and times when the current tariff rates apply are still relevant and appropriate
- Whether you feel that any of the tariff rates are too high or too low - if you feel any of the tariff rates should be higher or lower then please include your reasons for this


## 4. Date of tariff update

4.1. Taxi fares and tariffs are reviewed annually with any changes coming into effect at the start of April each year. Prior to the changes coming into effect a consultation is conducted around October/November and then any proposed changes are submitted for review and approval by the TfL Board in February.
4.2. Changes to rail and bus fares and tickets normally come into effect on 2 January each year and it has been suggested that changes to taxi fares should be aligned with the rail and bus changes so that it is clearer to the public when taxi fares increase and what the increase is.
4.3. This would mean that on 2 January each year the tariff rates would be changed and all of the actions associated with the tariff revision would need to occur on 2 January or in the first week of January. This would include updating taximeters and replacing fare cards ${ }^{5}$ in all licensed taxis.
4.4. At present to update a taximeter with the new tariff rates and fares information requires having physical access to the taximeter. If the tariff was updated on 2 January each year one of the biggest challenges would be ensuring that resources were available to update all taximeters from meter companies. Even if all taximeters eventually became capable of being updated remotely the taxi fare card displayed in the passenger compartment would still need to be physically replaced.
4.5. We invite your comments and views on changing the date when new taxi tariffs come into effect from early April to 2 January. We are particularly keen to know:

[^2]- Whether this would cause problems for drivers, taxi garages, taxi proprietors or taximeter companies
- Whether this would be preferable to the current arrangement where taxi fares and tariffs are updated each April
- What are the advantages and disadvantages for the licensed taxi trade with the current tariff changes in early April, and what would be the possible advantages and disadvantages for them if the tariff were to change on 2 January
- What are the advantages or disadvantages for passengers with the current tariff changes in early April, and what would be the possible advantages and disadvantages for them if the tariff were to change on 2 January


## 5. Fuel prices

5.1. Since July 2008, special provisions have been in place to allow an extra charge to be added to taxi fares if rising fuel costs make this appropriate. Fuel prices can vary rapidly and unpredictably, and a high increase during the year would result in additional costs for drivers which they would not be able to recover from passengers.
5.2. The extra charge would be authorised if fuel prices reach a threshold and if this was reached then an extra of 40 pence, added by the driver to the metered fare, would be applied to every taxi journey. The threshold represents the price at which the overall increase in taxi costs would be in proportion to the increase in the average fare, represented by the fuel charge.
5.3. To illustrate, if the fuel charge were a 4 per cent increase on the average taxi fare, the threshold would represent a 4 per cent increase in the total costs; and if the fuel costs represented 10 per cent of the cost index elements, this would correspond to a 40 per cent increase in fuel prices. The current threshold level for diesel fuel prices (as measured by the AA fuel price report ${ }^{6}$ ) is set at 178.9 pence per litre and the new threshold figure would be calculated in late December 2013.
5.4. If the threshold diesel price is exceeded before the next tariff revision (i.e. between April 2014 and April 2015) we will ensure appropriate publicity is produced to inform passengers and taxi drivers of the fuel charge. Once in place, the metered extra would remain in force until the annual tariff revision, even if fuel prices subsequently decreased.
5.5. We propose to extend this arrangement, setting an appropriate threshold for fuel prices to trigger the approval of an extra on taxi fares during 2013/14. The threshold will depend on the level of the general

[^3]fares increase and the fuel price used in the calculation of the fare increase.
5.6. We invite your comments and suggestions relating to the scale of the increase, the time of year and the ease with which the extra charge can be added.

## 6. Telephone bookings extra charge

6.1. For taxi bookings made by telephone an extra charge of up to $£ 2.00$ can be added to the metered fare. This was introduced prior to Smartphone, mobile applications and online booking services becoming available but in recent years a number of new taxi booking services which do not involve the passenger making a 'traditional' telephone call have been launched and these have become increasingly popular and successful.
6.2. No change to the $£ 2.00$ maximum limit is planned but we are proposing to review the telephone extra and clarify whether this charge could also be applied to bookings made using Smartphones, mobile applications and via online services. It is important to remember that this extra charge only applies to black cabs booked by telephone and does not apply to private hire vehicles/minicabs booked by telephone.
6.3. We invite your comments on this proposal and whether this extra should apply to taxi bookings made using Smartphones, mobile applications and online services or whether it should be restricted to only telephone bookings where the passenger physically makes a telephone call to a company to book a taxi.

## 7. Card payments - surcharge

7.1. On Saturday 6 April 2013 The Consumer Rights (Payment Surcharges) Regulations 2012 (the Regulations) came into effect ${ }^{7}$ banning traders from "charging consumers more than the cost borne by them for accepting a given means of payment". This includes processing card payments.
7.2. The regulations cover taxi passengers who pay by card and were introduced following a consultation by the Department for Business Innovation and Skills. A copy of the consultation outcome, the regulations and guidance on the regulations are available on the Inside Government website at: www.gov.uk/government/consultations/consultation-on-the-early-implementation-of-a-ban-on-above-cost-payment-surcharges.

[^4]7.3. The current card payment surcharge for taxi journeys is set at $£ 1.00$ or 12.5 per cent of the metered fare, whichever is greater. The cost to drivers of processing card payments will depend on a number of factors (e.g. card processing equipment used, methods of acceptance, contractual agreements, etc.) and will vary between drivers and taxi companies. Allowing a percentage of the fare to be charged as the surcharge when paying by card means that for taxi journeys with a higher final metered fare there is a risk that the surcharge will exceed the cost of processing the card payment, which would be an offence under the Regulations.
7.4. It is important for both drivers and passengers that excessive charges are not made when a passenger pays by card. This is because there is the obvious issue of the passenger paying more than they should do, plus a risk of reputational damage to the taxi trade as a whole if passengers do not feel confident that they will be charged the correct amount when paying by card. If a driver is found guilty of breaching the Regulations then they risk their fitness to remain licensed as a taxi driver being reviewed.
7.5. We are keen to see the number of taxis accepting card payments increase as this gives passengers a wider choice of how to pay. We know that the majority of passengers expect to be able to pay for taxi journeys by card with 86 per cent of taxi users saying that they should be able to pay by card and 78 per cent saying that they would be very likely or quite likely to pay for a taxi by card ${ }^{8}$.
7.6. In order to ensure compliance with the Regulations the card payment surcharge is being reviewed and new options considered. These options are:

## A. Remove the card payment surcharge completely

This option provides certainty for passengers, as they know there will be no extra charge when paying by card, and would ensure full compliance with the Regulations. However, this option could lead to fewer drivers accepting card payments as they would not be able to recover the costs of processing card payments.
B. Retain the current surcharge of $£ 1$ or 12.5 per cent with the greater figure charged but also require drivers to ensure that they do not charge more than the cost borne by them for accepting and processing card payments
This option would retain the current surcharge of $£ 1$ or 12.5 per cent with the greater figure charged. However, drivers would also be required to ensure that they do not charge more than it costs them to accept and process card payments. So if the cost of accepting and processing a

[^5]card payment was less than $£ 1$ then the driver would be required to charge the lower amount.

This option ensures that a cap on the surcharge is retained and that drivers can recover some or all of the cost for accepting or processing card payments. It does mean there would continue to be some uncertainty for passengers about the exact amount they would pay as this would vary with the fare if the surcharge is 12.5 per cent of the fare.

## C. Not set any surcharge but allow drivers to charge passengers the cost borne by them (the driver) for accepting and processing card payments

This would place the responsibility for complying with the Regulations on the driver, as they would need to determine what their card processing costs were and they could then add this to fare when a passenger pays by card.

This option would introduce uncertainty for passengers, as they would be charged different amounts depending upon the card processing equipment used by the driver and the contract each driver has with the card processing company. This in turn could lead to drivers being accused of applying excessive charges when accepting card payments and damage the reputation of the taxi trade as a whole.

## D. Set a maximum surcharge

A maximum surcharge could be set and this charge applied if this was less than the cost of processing a card payment. Where the cost of processing a card payment was lower than the maximum surcharge then the driver must apply the cost of processing the card payment, as to charge more than this would be a breach of the regulations.

So for example if the maximum surcharge was set at $£ 1.00$ this could be applied to all fares where the passenger pays by card and the cost of processing the card payment is equal to or more than $£ 1.00$. Where the cost of processing a card payment is less than $£ 1.00$ then the lower figure would be the maximum surcharge that could be applied.

This option provides more certainty for passengers, as they will know what the maximum surcharge will always be, and would still allow drivers to recover some or all of the costs of accepting card payments.
7.7. Comments on the current card payment surcharge were invited as part of last year's consultation. Several responses to last year's consultation stated that the 12.5 per cent fee could be lower with 10 per cent suggested by some respondents.
7.8. Our preferred option is to reduce the 12.5 per cent surcharge to 10 per cent and allow $£ 1$ or 10 per cent to be charged, whichever is the greater,
but with all taxi drivers also required to ensure that they do not charge more than it costs them to accept and process card payments. The reasons for this are that it ensures that the costs of accepting and processing card payments can be recovered but also provides some reassurance for passengers as they know what the maximum surcharge will be.
7.9. We invite your comments on card payment surcharges including on:

- The options listed above
- Whether there should continue to be a surcharge at all for accepting card payments
- The costs of processing card payments
- If you currently charge the surcharge, the method by which you do this
- If a maximum surcharge was set what value this should be at
- If a percentage was retained as part of the maximum surcharge could this be lower than 12.5 per cent and what would be an appropriate figure
- Any other suggestions for the surcharge for processing card payments


## 8. Christmas and New Year extra

8.1. For taxi journeys made between 20:00 on 24 December and 06:00 on 27 December or between 20:00 on 31 December and 06:00 on 2 January there is an extra charge of $£ 4.00$. This extra charge must be added to the metered fare manually by the driver at the start of each journey during the period covered.
8.2. In the 2012 taxi fares and tariffs consultation comments were invited on the proposal for this extra to be added to the taximeter automatically instead of manually by the driver. There was widespread support for this proposal and the intention was for the change to be made in time for Christmas 2013. However, it was not possible to introduce this change due to some taximeter companies being unable to modify their taximeters in time.
8.3. It is still intended to introduce the change to the Christmas and New Year extra and for this to be added to the fare automatically at the start of the journey when the extra applies. Where a journey starts before the extra applies then this would not be added to the meter. The $£ 4$ must be displayed on the taximeter as an extra. The current intention is for this change to be made as part of this tariff review so that it is in place for Christmas 2014.
8.4. In doing this it is possible that some taximeters may not be modified before Christmas 2014 and where this is the case these taximeters
would no longer be approved for use in London licensed taxis and would therefore need to be removed before 24 December 2014 and replaced with a TfL-approved taximeter that could add the Christmas and New Year extra to the fare automatically at the start of the journey.
8.5. We invite your comments on the intention to introduce this change to the Christmas and New Year extra in 2014 and the potential implication this has for some models of taximeter which will no longer be approved for use in London licensed taxis.

## 9. City Airport extra

9.1. One of the busiest taxi ranks in London is at City Airport with taxis providing an important service for people arriving at the airport. Until recently the taxi rank consisted of a long feeder rank on Hartmann Road which fed the head of the rank located on the forecourt area. As a result of Crossrail works in the area and the need to divert buses along Hartmann Road, in October 2013 the layout of the taxi rank changed with the feeder rank on Hartmann Road moving into a taxi holding area.
9.2. London City Airport Limited (LCAL) has informed us that they now intend to introduce a fee for taxi drivers using the airport rank to pick-up passengers. LCAL has requested that we introduce an extra charge that drivers can add to fares from City Airport in order to allow them to recover part or all of the costs incurred when using the rank.
9.3. The fee for drivers using the rank is planned to be introduced on 1 April 2014 and the proposed fee is between $£ 3.30$ and $£ 3.50$. LCAL has suggested that taxi drivers should be able to charge passengers the full cost of the driver fee or as close to this as possible.
9.4. LCAL's proposal is similar to the scheme already in operation at Heathrow Airport where drivers pay a fee to enter the taxi feeder park and there is an extra charge payable by passengers for all taxi journeys starting from any of the ranks at Heathrow Airport. The driver fee for entering the feeder rank at Heathrow Airport was until recently $£ 6.00$, with the extra payable by passengers $£ 3.20$ - this is 53 per cent of the fee drivers must pay. Since the passenger extra was increased from $£ 2.40$ to $£ 3.20$ the driver fee at Heathrow Airport has in fact been reduced to $£ 5.22$.
9.5. Any extra charge introduced would need to be a multiple of 40 pence, as the extra button on taximeters increases in 40 pence increments. If an extra was introduced for passengers taking a taxi from City Airport and it was in line with the Heathrow extra (i.e. approximately 50 per cent of the driver fee) then this would equate to an extra charge of around $£ 1.60$.
9.6. We are not responsible for whether LCAL should or should not introduce a fee for taxi drivers picking up passengers at City Airport and any potential driver fee is not part of this consultation. We are aware that the main taxi driver associations are opposed to the introduction of a driver fee at City Airport and have made LCAL aware of their position and views. If you do have comments or concerns regarding a driver fee then these should be directed to LCAL.
9.7. However, through this consultation we are inviting your views on whether, in the event of a driver fee being introduced at City Airport, an extra charge for passengers should be introduced and if a passenger extra is introduced what level this extra should be set at.
9.8. We invite your comments regarding an extra charge for passengers taking a taxi from City Airport including on the following:

- Whether an extra charge should be introduced if drivers are required to pay a fee for picking up passengers from the taxi rank at City Airport
- If an extra charge for passengers is introduced how much should this be
- Whether you agree that any extra charge should be in line with the extra at Heathrow Airport and approximately 50 per cent of the fee payable by drivers
- If you feel the extra should be higher or lower then please include your reasons for this
- Any comments about the likely reaction and views of taxi passengers if an extra charge payable by them is introduced


## 10. Heathrow Airport extra

10.1. There are well served taxi ranks at all main terminals at Heathrow Airport. Every taxi accessing a rank needs to pass through the taxi feeder park. Heathrow Airport Limited (HAL) charge a fee for entering the taxi feeder park to cover the administration and maintenance costs of operating the feeder park. To compensate drivers for having to pay this fee, a "Heathrow extra" is charged to passengers for every taxi journey that starts from Heathrow Airport and ends in Greater London. At present, the Heathrow extra is $£ 3.20$ per trip.
10.2. The extra was increased from $£ 2.40$ to $£ 3.20$ last year and when the feeder park fee was $£ 6.00$. Since this increase HAL has reduced the charge for taxis entering the feeder park to $£ 5.22$.
10.3. As the feeder park fee has fallen we are reviewing the extra passengers pay and are proposing to change this to $£ 2.80$, which is just over 50 per cent of the feeder park fee and broadly in line with the revision in 2012.
10.4. We invite your comments and suggestions regarding the Heathrow extra and whether this should be changed or kept at the current level - if you feel the extra should be higher or lower then please include your reasons for this.

## 11.Wimbledon fixed-fare, shared-taxi scheme

11.1. Fixed-fare, shared-taxi schemes operate at Euston Station on weekday mornings, Buckingham Palace at the end of Garden parties, and from Wimbledon Tennis Ground and the nearby stations during the tennis championships.
11.2. These schemes have been regulated since 2005 and benefit all parties involved as:

- Passengers have a shorter wait and reduced fares
- Drivers get more revenue than for an equivalent exclusive hiring
- The local community benefits from fewer taxi movements, resulting in less congestion, noise and pollution
11.3. During the Wimbledon Tennis Championship a fixed-fare, shared-taxi scheme operates between the ground and Wimbledon and Southfields stations. This scheme has been successful and there are no plans to change this or review the fare charged.
11.4. A fixed-fare, shared-taxi scheme also operates from the ground to other parts of London during the Championships but this scheme has been less successful and there have been complaints about passengers either being overcharged or refused. It has been suggested that part of the reason for the fixed-fare, shared-taxi scheme from the ground to other parts of London not being as successful as the service from and to Wimbledon and Southfields stations and the ground is due to some fixed-fares being too low and therefore not worthwhile for drivers.
11.5. The fixed-fares from the grounds to other parts of London have now been reviewed and the proposed new fares are below:

| Authorised place | Destination(s) | Applicable dates and times | Tariff/Fare |
| :---: | :---: | :---: | :---: |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in the Borough of Hammersmith and Fulham on and south of Hammersmith Bridge Road, Hammersmith Broadway and Hammersmith Road | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: $£ 7.20$ <br> Tariff 2: $£ 7.20$ <br> Tariff 3: $£ 7.20$ |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in Postal Districts SW4, SW8 and SW11; addresses on Clapham Road, Harleyford Street, Kennington Oval and Harleyford Road | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: £8.40 <br> Tariff 2: £8.40 <br> Tariff 3: £8.40 |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in the Royal Borough of Kensington and Chelsea in the area bounded by Cromwell Road, Brompton Road, Sloane Street, Sloane Square, Lower Sloane Street and Chelsea Bridge Road inclusive | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: $£ 9.60$ <br> Tariff 2: $£ 9.60$ <br> Tariff 3: $£ 9.60$ |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in Postal District SW1 east of Sloane St, Sloane Square, Lower Sloane Street and Chelsea Bridge Road | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: $£ 10.80$ Tariff 2: $£ 10.80$ Tariff 3: $£ 10.80$ |


| Authorised place | Destination(s) | Applicable dates and times | Tariff/Fare |
| :---: | :---: | :---: | :---: |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in the area bounded by Warwick Road north of Cromwell Road, Russell Road, Russell <br> Gardens Mews, Holland Road, Holland Park Avenue, Notting Hill Gate, Pembridge Road, Pembridge Villas, Westbourne Grove, Bishops Bridge Road, Bishops Bridge Harrow Road, Edgware Road, Marble Arch, Park Lane and Knightsbridge inclusive and Brompton Road and Cromwell Road exclusive | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: $£ 12.00$ <br> Tariff 2: £12.00 <br> Tariff 3: £12.00 |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in Postal District W1; addresses in the area bounded by Edgware Road, Church St NW8, Lisson Grove, Rossmore Road, Park Road, Allsop Place, York Terrace, <br> Upper Harley Street, <br> Marylebone Road, Euston Road, Tottenham Court Road inclusive | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: $£ 12.00$ <br> Tariff 2: $£ 12.00$ <br> Tariff 3: £12.00 |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in <br> Postal District WC2; Waterloo Station; addresses in the area bounded by the River Thames, Waterloo Bridge, Waterloo Road, Baylis Road, Lower Marsh, Westminster Bridge Road and Westminster Bridge inclusive | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: $£ 12.00$ <br> Tariff 2: $£ 12.00$ <br> Tariff 3: £12.00 |
| Taxi boarding point outside Gate 4 of the All England Lawn Tennis and Croquet Club, London SW19 | Addresses in Postal District WC1; addresses on Euston Road East of Tottenham Court Road; Euston, Kings Cross and St Pancras Stations | During the period of tennis tournaments at the All England Lawn Tennis Club, all day | Tariff 1: £14.40 <br> Tariff 2: $£ 14.40$ <br> Tariff 3: $£ 14.40$ |


| Authorised <br> place | Destination(s) | Applicable dates <br> and times | Tariff/Fare |
| :---: | :---: | :---: | :---: |
| Taxi boarding <br> point outside <br> Gate 4 of the All <br> England Lawn <br> Tennis and <br> Croquet Club, <br> London SW19 | Addresses in postal districts <br> EC1, EC2, EC3 and EC4; <br> addresses in the area bounded <br> by London Bridge, Duke Street <br> Hill, Tooley Street, <br> Bermondsey Street, Thomas <br> Street, Bedale Street, Borough <br> High Street, Southwark Street, <br> Blackfriars Bridge and the <br> River Thames inclusive | During the period <br> of tennis <br> tournaments at <br> the All England <br> Lawn Tennis <br> Club, <br> all day | Tariff 1: £14.40 | Tariff 2: £14.40 $\quad$ Tariff 3: £14.40

11.6. We invite your comments on the new fares plus any other comments on the fixed-fare, shared-taxi schemes at Wimbledon and also any comments on problems or issues with the scheme plus suggestions for improvements.

## 12. Fixed-fares between Heathrow Airport and central London

12.1. The typical taxi fare between Heathrow Airport and central London is currently shown on the taxi fare card as being between $£ 45$ and $£ 85$. This is intended to provide passengers with some indication of what the fare might be if they take a taxi between the airport and central London but this is still quite a wide range and the fare could be higher if there are delays during the journey.
12.2. The uncertainty about what the fare will be for a taxi trip between Heathrow Airport and central London does not contribute to a positive passenger experience nor improve passengers' satisfaction with taxi services and could deter some people from taking a taxi to or from the airport.
12.3. Some cities provide fixed fares from the airport to certain locations. For example for trips from John F. Kennedy (JFK) Airport to Manhattan there is a flat fare of $\$ 52$, which is approximately $£ 33$, with any tolls added to the meter at rate $2^{9}$. Fixed-fares also operate between Rome city centre and Fiumicino/Leonardo da Vinci Airport and Ciampino Airport ${ }^{10}$.

[^6]12.4. It has been suggested that a fixed-fare should be in place for taxi trips from Heathrow Airport to central London and also from central London to Heathrow Airport and we have been asked to consider setting a fixed fare for these trips and consult upon this. A fixed-fare would provide passengers with certainty about how much their trip will cost, which may be particularly important when they first arrive at the airport. It may also lead to more people taking taxis to and from the airport as they can be confident of the exact cost and not concerned that if there are delays their fare will be excessive.
12.5. A fixed-fare could operate only from Heathrow Airport to central London, only from central London to Heathrow Airport or in both directions. The destinations covered in central London could be particular areas - for example it could be based on postcode districts and one possibility would be W1J, which is the postcode district around Piccadilly Circus. Alternatively it could operate to or from certain locations such as the main hotels in central London and this could be limited to hotels in a particular area such as Park Lane. Just one fixed-fare could be set however, it is felt that it would be more appropriate to set a fixed-fare for each tariff rate, so there are three fixed-fares in total.
12.6. We invite your comments on the proposal for fixed-fares to operate between Heathrow Airport and central London including on:

- Whether fixed-fares would benefit passengers
- If a fixed-fare was introduced what the fare should be
- The days or times when a fixed-fare should operate - should this be 24 hours a day or limited to certain days or times
- Should there be a different fixed-fare for each tariff rate
- Whether a fixed-fare should operate only from Heathrow Airport to central London, only from central London to Heathrow Airport or in both directions
- The destinations in central London that should be covered by a fixedfare scheme and whether this should this be limited to certain destinations


## 13. Impact assessments

### 13.1. Costs

a. Any taxi fare increase will be borne by taxi customers. The cost index has been established for around thirty years as the most appropriate way of ensuring that regulated fares remain in line with the costs of providing the taxi service.
b. Any changes not based on the cost index would represent a break with the established method of reviewing taxi fares but it is expected that any changes not based on the cost index would only be implemented if they
resulted in lower increases to taxi fares and therefore would benefit passengers.
c. Taxis are heavily used by disabled and elderly visitors and Londoners and these groups will be affected by fare increases.
d. We part fund the Taxicard scheme and so any increase to taxi fares will affect this scheme and will potentially result in members being able to make fewer trips if funding is not increased.
e. No other significant cost implications have been identified.

### 13.2. Crime and Disorder

a. Licensed taxis play a vital role in providing safer transport late at night and a balance needs to be maintained between ensuring that taxi drivers are encouraged to work late at night but that the public do not perceive taxis as unaffordable and see illegal, unsafe "cabs" as a cheaper and preferable option.
b. A 1.0 per cent increase to taxi fares would help ensure that drivers are able to meet their costs and maintain earnings. It is important to ensure that taxi drivers are able to meet their costs and maintain earnings so that taxi driving remains a viable career for drivers who have invested time and money in completing the Knowledge of London. It is also important to ensure that the supply of licensed taxis, especially at key times such as late at night, is not affected by drivers reducing their working time or leaving the trade.

### 13.3. Equalities

a. Taxis are heavily used by disabled and elderly residents and visitors to London. These groups will be affected by the fare increases. Disabled residents should be eligible to apply for a Taxicard and benefit from subsidised taxi journeys. An increase in taxi fares means that unless the Taxicard subsidy increases or Taxicard members are able to pay more towards fares then they will not be able to travel as far. The Taxicard service does provide a door-to-door service, using an accessible taxi however, members can only use the Taxicard service for social trips
b. Elderly residents are likely to have a Freedom Pass and so potentially they will be able to use other forms of public transport free of change. However, not all other transport services provide a fully accessible door-to-door service that may be essential for some elderly travellers.
c. Wheelchair users can use bus services free of charge and will be able to continue to do so. Although all buses, with the exception of the

Heritage routes, are wheelchair accessible they do not provide a door-to-door service.
d. Some other disabled travellers may also be able to travel for free on the bus or Tube but again these services do not provide a door-to-door service that may be essential.
e. Some residents may be eligible to use the Dial-a-Ride service which does provide a door-to-door service and accessible vehicles.
f. However, although elderly and disabled taxi users will be affected by a taxi fare increase the proposed increase is lower than both the Retail Price Index (RPI) and the Consumer Price Index (CPI) which are 3.2\% and $2.7 \%$ respectively ${ }^{11}$.

### 13.4. Health and Safety

a. No significant implications for health and safety have been identified.

### 13.5. Environmental Sustainability

a. No significant environmental implications have been identified.

## 14. Making a submission

14.1. This consultation document seeks views on a number of issues relating to taxi fares. Respondents are also invited to provide relevant information to support decisions by us on these issues.
14.2. The document is being sent to the organisations and individuals listed at Annex D. Comments from other interested organisations or individuals are also welcome and we welcome suggestions as to other organisations that should see this document.
14.3. An Aide Memoire is provided in Annex $E$ listing the issues on which comments are specifically invited. However, the document in its entirety forms the consultation document and any part of it may be referred to in a response.

[^7]14.4. Consultation responses must be sent in writing by Wednesday 20 November 2013 to:

## Email: tph.consultation@tfl.gov.uk

Post: Taxi Fares Consultation
TfL - London Taxi \& Private Hire
$4^{\text {th }}$ Floor Yellow Zone
Palestra, 197 Blackfriars Road
London, SE1 8NJ
Fax: 02030543160
14.5. If you are responding by post, please submit two copies of your response.
14.6. If you are responding as a representative organisation, please include in your response some background information about your organisation and the people that you represent.
14.7. Consultees are asked to make clear which part of the consultation document their comments refer to by reference to the paragraph numbers used in this document.
14.8. We will give full consideration to all points raised in responses to this consultation. A summary of the comments received will be published.
14.9. The Freedom of Information Act 2000 requires public authorities to disclose information they hold if it is requested. This includes information contained in responses to public consultations. Our intention is to publish the responses received but with the personal information (e.g. name, address, email address, etc.) of individuals such as licensed taxi drivers who have responded, but not organisations, removed. If you ask for your response to be kept confidential this will only be possible if it is consistent with our obligations under the Freedom of Information Act.
14.10. Enquiries about the contents of this consultation document may be made by email to tph.consultation@tfl.gov.uk.
14.11. Further copies of this consultation document can be obtained from our website by visiting tfl.gov.uk/tph or by telephoning 02030542945.

## 15. Next steps

15.1. This document has set out issues concerning taxi fares, it is a consultation document and responses are invited from all interested parties.
15.2. A summary of the responses will be published after the consultation period ends.
15.3. The responses to this consultation will be considered and taken into account in deciding whether to act on the proposals contained in this document or other proposals that are put forward. If appropriate, the TfL Board will be invited to approve changes to appropriate Regulations.
15.4. We would plan to make such decisions within a period of four months from the end of the public consultation. Following the decision we then plan to make an announcement about the implementation of any changes.

## Annex A: Summary of taxi fares regulations

## General

The 1934 Order sets the fares regime that covers most taxi journeys in London. Article 35 of the 1934 Order provides that taximeters must be fitted to cabs to calculate the fare. Article 40 of the 1934 Order provides the maximum fare payable, which is a hiring charge plus the applicable rate (a sum based on the time and distance travelled and the circumstances of the journey). Values prescribed in article 40 are programmed into taximeters which automatically calculate the amount the driver can charge.

These values are revised each year by decision of the TfL Board after a consultation with taxi trade stakeholders, with new fares taking effect at or about the first weekend in April. Fare changes are legally implemented by revision of the 1934 Order.

Most revisions since the early 1980s have been based on a cost index that reflects the costs of operating a taxi in London, with a few other amendments such as the introduction of evening and night tariffs and the removal of extra charges for luggage or additional passengers.

Specific provision has been made to cater for exceptional costs, such as the additional costs of making the fleet wheelchair accessible in the 1990s. In 2005 a 20 pence extra for all taxi journeys was introduced to cover the costs of bringing all taxis up to the Euro III emissions standard. The 20 pence emissions charge was included in the minimum fare which was set in The London Cab Order 2005.

## Taxi sharing schemes

Section 10 of the Transport Act 1985 provides that we may make a scheme which allows for shared taxi journeys. The London Taxi Sharing Scheme Order 1987 provides for separate fares to be calculated based on the metered fare for the journey. This requires a conversion chart to be carried in the taxi and explained to the passengers, and works best if all passengers are going to the same destination. It is not believed that this scheme is used widely.

The London Taxi Sharing Scheme Order 2005 allows for fixed fare shared journeys. The 2005 Order sets a pre-determined, per-passenger fare that applies to a journey from a specified origin to a particular destination or area at a certain time. Each passenger pays less than they would do for an exclusive taxi journey, although the total fare received by the driver is more than the metered fare would be. This operates successfully in a number of sites, particularly where marshals are employed to group passengers with similar destinations. These arrangements have proven popular with drivers and customers.

The London Taxi Sharing Scheme Order was revised in 2012.

## Annex B: Projected licensed taxi cost index changes 2014

| Index Component ${ }^{1}$ | Cost Increase | Weight ${ }^{2}$ | Contribution to Total ${ }^{3}$ | Data availability ${ }^{4}$ Latest |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Last Year |  |  |
| Vehicle Cost | 1.4\% | 9.0\% | 0.1\% | September 2013 |
| Parts ${ }^{5}$ | 2.4\% | 4.1\% | 0.1\% | September 2013 |
| Tyres ${ }^{5}$ | 2.4\% | 0.6\% | 0.0\% | September 2013 |
| Garage \& servicing - premises ${ }^{5}$ | 2.4\% | 0.6\% | 0.0\% | September 2013 |
| Garage \& Servicing - labour ${ }^{5}$ | 2.4\% | 2.0\% | 0.0\% | September 2013 |
| Fuel ${ }^{6}$ | -1.2\% | 11.8\% | -0.1\% | Jul - Sept 2013 |
| Insurance ${ }^{7}$ | 6.8\% | 4.4\% | 0.3\% | September 2013 |
| Miscellaneous | 7.2\% | 1.0\% | 0.1\% | N/A |
| The Knowledge ${ }^{8}$ | 0.7\% | 5.3\% | 0.0\% | Jun - Aug 2013 |
| Social Costs ${ }^{8}$ | 0.7\% | 2.7\% | 0.0\% | Jun - Aug 2013 |
| Total Operating Costs | 1.3\% | 41.5\% | 0.6\% |  |
| Average national earnings ${ }^{8}$ | 0.7\% | 58.5\% | 0.4\% | Jun - Aug 2013 |
| Grand Total |  | 100\% | 1.0\% |  |

## Notes

1. The index components are as normally used in the cost formula. Further details are available on request.
2. 'Weight' is the proportion that the component contributes to the total cost per mile.
3. 'Contribution to total' indicates the importance of each component's cost change in determining the overall cost change. It is calculated for each component as the product of its percentage cost increase and its weight. The Grand Total is the sum of the individual components' contributions.
4. The 'latest' column under 'Data availability' indicates the dates to which data in the 'cost increase' column relates.
5. As agreed in 2011, costs for Parts, Tyres and Garaging will be uplifted by the yearly change in the Office for National Statistics RPI figure for "motoring expenditure: maintenance of motor vehicles" (DOCT) published on 15 October 2013.
6. The change in fuel costs relates to the change from the average of the $A A$ diesel price for the 3 months to December 2012 to the 3 months to September 2013. This figure will be revised as further monthly data becomes available.
7. As agreed in 2011, costs for insurance will be uplifted by the yearly change in the Office for National Statistics RPI figure for "motoring expenditure: vehicle tax and insurance" (DOCV) published on 15 October 2013.
8. Provisional Knowledge, Social Costs and Average National Earnings changes are derived from the ONS average weekly earnings averages for the three months to August in 2012 and 2013.

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## Details of Taxi Cost Calculations 2014

Table 1 below shows the cost per mile of each cost component in 2013 and for 2012.

Table 1: Cost Index for April 2014

| Component of index | Cost p per <br> mile in <br> 2012 | Proportion of <br> costs in 2013 | Cost p per <br> mile in <br> 2013 | Increase <br> in costs <br> 2013 | Contribution <br> to total <br> increase |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Vehicle Cost | 20.94 | $9.0 \%$ | 21.23 | $1.4 \%$ | $0.1 \%$ |
| Parts | 9.42 | $4.1 \%$ | 9.64 | $2.4 \%$ | $0.1 \%$ |
| Tyres | 1.39 | $0.6 \%$ | 1.43 | $2.4 \%$ | $0.0 \%$ |
| Garage \& Servicing - <br> Premises | 1.27 | $0.6 \%$ | 1.30 | $2.4 \%$ | $0.0 \%$ |
| Garage \& Servicing - <br> Labour | 4.51 | $2.0 \%$ | 4.62 | $2.4 \%$ | $0.0 \%$ |
| Fuel | 28.25 | $11.8 \%$ | 27.90 | $-1.2 \%$ | $-0.1 \%$ |
| Insurance | 9.74 | $4.4 \%$ | 10.40 | $6.8 \%$ | $0.3 \%$ |
| Miscellaneous | 2.27 | $1.0 \%$ | 2.43 | $7.2 \%$ | $0.1 \%$ |
| The Knowledge | 12.43 | $5.3 \%$ | 12.52 | $0.7 \%$ | $0.0 \%$ |
| Social Costs | 6.37 | $2.7 \%$ | 6.42 | $0.7 \%$ | $0.0 \%$ |
| Total operating costs | $\mathbf{9 6 . 6 0}$ | $\mathbf{4 1 . 5 \%}$ | $\mathbf{9 7 . 8 9}$ | $\mathbf{1 . 3 \%}$ | $\mathbf{0 . 6 \%}$ |
| Average national <br> earnings | 136.82 | $58.5 \%$ | 137.78 | $0.7 \%$ | $0.4 \%$ |
| Grand Total | $\mathbf{2 3 3 . 4 2}$ | $\mathbf{1 0 0 \%}$ | $\mathbf{2 3 5 . 6 7}$ |  | $\mathbf{1 . 0 \%}$ |

## Vehicle Cost

Four strategies have been considered for purchasing a cab:

1. Purchase new and run to scrap,
2. Purchase new and sell at 4 years,
3. Purchase at 4 years and sell at 8 ,
4. Purchase at 8 years and run to scrap.

Table 2 below gives the costs for the 4 strategies (as supplied by LTC in 2013). They relate to TX4 models for strategies 1, 2 and 3 and TXIIs for strategy 4.

Table 3 shows the corresponding costs provided in 2012.

Table 2: Vehicle Cost 2013

| Strategy | Model | HP <br> rate <br> $\%$ | Price | Deposit | plus Monthly <br> Payments | Total | Less <br> residual <br> value | Net <br> Cost | Years <br> Cab <br> Kept | Total <br> Cost <br> over 12 <br> years |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | TX4 | 5.50 | $£ 32,995$ | $£ 3,000$ | 48 | $£ 762.37$ | $£ 39,594$ | $£ 0$ | $£ 39,594$ | 12 | $£ 39,594$ |
| 2 | TX4 | 5.50 | $£ 32,995$ | $£ 3,000$ | 48 | $£ 762.37$ | $£ 39,594$ | $£ 14,750$ | $£ 24,844$ | 4 | $£ 74,532$ |
| 3 | TX4 | 5.50 | $£ 20,200$ | $£ 2,020$ | 48 | $£ 462.08$ | $£ 24,200$ | $£ 4,500$ | $£ 19,700$ | 4 | $£ 59,099$ |
| 4 | TXII | 5.50 | $£ 7,500$ | $£ 750$ | 36 | $£ 218.44$ | $£ 8,614$ | $£ 0$ | $£ 8,614$ | 4 | $£ 25,841$ |

Table 3: Vehicle Cost 2012

| Strategy | Model | HP <br> rate <br> $\%$ | Price | Deposit | plus Monthly <br> Payments | Total | Less <br> residual <br> value | Net Cost | Years <br> Cab <br> Kept | Total <br> Cost <br> over 12 <br> years |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | TX4 | 5.30 | $£ 32,995$ | $£ 3,000$ | 48 | $£ 757.37$ | $£ 39,354$ | $£ 0$ | $£ 39,354$ | 12 | $£ 39,354$ |
| 2 | TX4 | 5.30 | $£ 32,995$ | $£ 3,000$ | 48 | $£ 757.37$ | $£ 39,354$ | $£ 14,188$ | $£ 25,166$ | 4 | $£ 75,498$ |
| 3 | TX4 | 6.20 | $£ 19,100$ | $£ 1,910$ | 48 | $£ 446.94$ | $£ 23,363$ | $£ 4,949$ | $£ 18,414$ | 4 | $£ 55,242$ |
| 4 | TXII | 6.20 | $£ 7,500$ | $£ 750$ | 36 | $£ 222.38$ | $£ 8,756$ | $£ 0$ | $£ 8,756$ | 4 | $£ 26,267$ |

Table 4 shows indicative Vito purchase costs. The figures show that costs are unchanged from 2012.

Table 4: Vehicle Cost of Vito Taxis 2012 and 2013

| Year | Model | HP <br> rate <br> $\%$ | Price | Deposit | plus Monthly <br> Payments | Total | Less <br> residual <br> value | Net <br> Cost | Years <br> Cab <br> Kept | Total <br> Cost <br> over 12 <br> years |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2013 | Euro V 4.50 | $£ 41,950$ | $£ 4,195$ | 48 | $£ 928.14$ | $£ 48,746$ | $£ 0$ | $£ 48,746$ | 12 | $£ 48,746$ |  |
| 2012 | Euro V | 4.50 | $£ 41,950$ | $£ 4,195$ | 48 | $£ 928.14$ | $£ 48,746$ | $£ 0$ | $£ 48,746$ | 12 | $£ 48,746$ |

In October 2013 Vito taxis made up $9.0 \%$ of the fleet. Purchase costs for these taxis and the TX models have been weighted using this figure to provide an overall average purchase cost.

The average cost over 12 years in 2012 was $£ 49,090$ or 18.59 pence per mile. The average cost for the same strategies in 2013 was $£ 49,766$ or 18.85 pence per mile, giving an increase of 1.4 per cent.

Pence per mile rates have been calculated assuming an annual vehicle mileage of 22,000 miles.

## Parts, Tyres, Garaging \& Servicing

In 2011 a study was conducted comparing the changes in costs associated with parts, tyres, garaging and servicing incorporated into the cost index over recent years with the yearly changes in the Office for National Statistics RPI figure for "motoring expenditure: maintenance of motor vehicles" (DOCT). The study concluded that the two series were comparable and it was agreed to use this ONS RPI figure to represent these cost index items in future.

In September 2013 the DOCT RPI series showed an annual increase of 2.4 per cent. This gives an increase in the cost per mile of these components from 16.60p in 2012 to 16.99p in 2013.

## Fuel

The Derv price index from Arval, which has been used to calculate the change in fuel price, was discontinued in 2013. In deciding on an alternative source of fuel price data analysis of London diesel prices from the AA (available at www.theaa.com/motoring-advice/motoring-costs.html) shows close correlation with the Arval Derv price index. Based on Arval data last used to calculate the index, the average fuel price over the thirteen weeks from 15 October 2012 to 7 January 2013, was compared with the AA average price over the latest three months to September 2013. This gives a value of 142.9 p per litre compared to 141.2 p , giving a decrease of 1.2 per cent.

## Insurance

A similar comparison to that made for parts, tyres and garaging costs was made of previous years' cost index insurance figures versus the ONS RPI series figure for "motoring expenditure: vehicle tax and insurance" (DOCV), and again it was decided to use the RPI figure in future cost index revisions.

In September 2013 the DOCV RPI series showed an annual increase of 6.8 per cent. This gives an increase in the cost per mile of these components from 9.74p in 2012 to 10.40p in 2013.

## Miscellaneous

This comprises the cost of hiring a meter, smoke test, vehicle licence and driver licence. The requirement for a receipt printer to be installed in all taxis was removed from 1 January 2013. The average cost in 2012 was $£ 461$ or 2.27 pence per mile. The average cost for the same strategies in 2013 was $£ 494$ or 2.43 pence per mile, giving an increase of 7.2 per cent.

## Earnings Related

The latest average weekly earnings data (headline rate ONS series KAC3) show a $0.7 \%$ year on year increase for the three months to August 2013. This gives a cost per mile figure for the updated index of 137.8, representing 58.5 per cent of the total index cost.

The "knowledge" and "social" costs have also been uplifted each year in line with national earnings. In 2013 these increased to 12.52 p and 6.42 p
respectively, together representing a further 8 per cent of the total index cost.
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22 October 2012

## Annex C: Proposed tariff changes

## Tariff Changes - $\mathbf{1 . 0}$ per cent average increase

## Average Fares

|  | Current average | New average | Increase (£) | Increase (\%) |
| ---: | :---: | :---: | :---: | :---: |
| Tariff 1 | $£ 11.43$ | $£ 11.54$ | $£ 0.11$ | $1.0 \%$ |
| Tariff 2 | $£ 13.25$ | $£ 13.38$ | $£ 0.13$ | $1.0 \%$ |
| Tariff 3 | $£ 15.57$ | $£ 15.72$ | $£ 0.15$ | $1.0 \%$ |
| All Week | $£ 12.63$ | $£ 12.75$ | $£ 0.13$ | $1.0 \%$ |

Tariff Rates - $\mathbf{1 . 0}$ per cent average increase

|  | Tariff 1 |  | Tariff 2 |  | Tariff 3 |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Current | New | Current | New | Current | New |
| minimum fare $^{\mathbf{1}}$ | $£ 2.40$ | $£ 2.40$ | $£ 2.40$ | $£ 2.40$ | $£ 2.40$ | $£ 2.40$ |
| minimum units | 2 | 2 | 2 | 2 | 2 | 2 |
| metres/unit < 6 miles | 129.9 | 127.3 | 105.4 | 103.4 | 85.0 | 83.4 |
| secs/unit $<6$ miles | 27.9 | 27.4 | 22.7 | 22.2 | 18.3 | 17.9 |
| metres/unit > 6 miles | 91.1 | 89.2 | 91.1 | 89.2 | 91.1 | 89.2 |
| secs/unit $>6$ miles | 19.6 | 19.2 | 19.6 | 19.2 | 19.6 | 19.2 |
| Units at lower rate | 74 | 75 | 91 | 93 | 113 | 115 |
| Metres at lower rate | 9612.6 | 9547.5 | 9591.4 | 9616.2 | 9605.0 | 9591.0 |
| changeover fare | $£ 17.00$ | $£ 17.20$ | $£ 20.40$ | $£ 20.80$ | $£ 24.80$ | $£ 25.20$ |

Example Fares - 1.0 per cent average increase

| Journey <br> length <br> Miles | Tariff 1 |  |  | Tariff 2 |  |  | Tariff 3 |  |  |
| :---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  | Current | New | Change | Current | New | Change | Current | New | Change |
| minimum $^{1}$ | $£ 2.40$ | $£ 2.40$ | $0.0 \%$ | $£ 2.40$ | $£ 2.40$ | $0.0 \%$ | $£ 2.40$ | $£ 2.40$ | $0.0 \%$ |
| 0.5 | $£ 3.40$ | $£ 3.40$ | $0.0 \%$ | $£ 3.60$ | $£ 3.60$ | $0.0 \%$ | $£ 4.00$ | $£ 4.00$ | $0.0 \%$ |
| 1.0 | $£ 4.60$ | $£ 4.60$ | $0.0 \%$ | $£ 5.20$ | $£ 5.20$ | $0.0 \%$ | $£ 6.00$ | $£ 6.00$ | $0.0 \%$ |
| 1.5 | $£ 5.80$ | $£ 6.00$ | $3.4 \%$ | $£ 6.80$ | $£ 6.80$ | $0.0 \%$ | $£ 7.80$ | $£ 8.00$ | $2.6 \%$ |
| 2.0 | $£ 7.20$ | $£ 7.20$ | $0.0 \%$ | $£ 8.40$ | $£ 8.40$ | $0.0 \%$ | $£ 9.80$ | $£ 10.00$ | $2.0 \%$ |
| 2.5 | $£ 8.40$ | $£ 8.60$ | $2.4 \%$ | $£ 9.80$ | $£ 10.00$ | $2.0 \%$ | $£ 11.80$ | $£ 11.80$ | $0.0 \%$ |
| 3.0 | $£ 9.60$ | $£ 9.80$ | $2.1 \%$ | $£ 11.40$ | $£ 11.60$ | $1.8 \%$ | $£ 13.60$ | $£ 13.80$ | $1.5 \%$ |
| 3.5 | $£ 11.00$ | $£ 11.00$ | $0.0 \%$ | $£ 13.00$ | $£ 13.20$ | $1.5 \%$ | $£ 15.60$ | $£ 15.80$ | $1.3 \%$ |
| 4.0 | $£ 12.20$ | $£ 12.40$ | $1.6 \%$ | $£ 14.60$ | $£ 14.80$ | $1.4 \%$ | $£ 17.60$ | $£ 17.80$ | $1.1 \%$ |
| 4.5 | $£ 13.40$ | $£ 13.60$ | $1.5 \%$ | $£ 16.20$ | $£ 16.20$ | $0.0 \%$ | $£ 19.40$ | $£ 19.60$ | $1.0 \%$ |
| 5.0 | $£ 14.80$ | $£ 15.00$ | $1.4 \%$ | $£ 17.60$ | $£ 17.80$ | $1.1 \%$ | $£ 21.40$ | $£ 21.60$ | $0.9 \%$ |
| 6.0 | $£ 17.40$ | $£ 17.60$ | $1.1 \%$ | $£ 20.80$ | $£ 21.00$ | $1.0 \%$ | $£ 25.20$ | $£ 25.60$ | $1.6 \%$ |
| 7.0 | $£ 21.00$ | $£ 21.20$ | $1.0 \%$ | $£ 24.40$ | $£ 24.60$ | $0.8 \%$ | $£ 28.80$ | $£ 29.20$ | $1.4 \%$ |
| 8.0 | $£ 24.60$ | $£ 24.80$ | $0.8 \%$ | $£ 28.00$ | $£ 28.40$ | $1.4 \%$ | $£ 32.40$ | $£ 32.80$ | $1.2 \%$ |
| 9.0 | $£ 28.20$ | $£ 28.40$ | $0.7 \%$ | $£ 31.60$ | $£ 32.00$ | $1.3 \%$ | $£ 36.00$ | $£ 36.40$ | $1.1 \%$ |
| 10.0 | $£ 31.80$ | $£ 32.20$ | $1.3 \%$ | $£ 35.20$ | $£ 35.60$ | $1.1 \%$ | $£ 39.60$ | $£ 40.20$ | $1.5 \%$ |
| 11.0 | $£ 35.40$ | $£ 35.80$ | $1.1 \%$ | $£ 38.80$ | $£ 39.40$ | $1.5 \%$ | $£ 43.20$ | $£ 43.80$ | $1.4 \%$ |
| 12.0 | $£ 39.00$ | $£ 39.40$ | $1.0 \%$ | $£ 42.40$ | $£ 43.00$ | $1.4 \%$ | $£ 46.80$ | $£ 47.40$ | $1.3 \%$ |
| 13.0 | $£ 42.60$ | $£ 43.20$ | $1.4 \%$ | $£ 46.00$ | $£ 46.60$ | $1.3 \%$ | $£ 50.40$ | $£ 51.00$ | $1.2 \%$ |
| 14.0 | $£ 46.20$ | $£ 46.80$ | $1.3 \%$ | $£ 49.60$ | $£ 50.20$ | $1.2 \%$ | $£ 54.00$ | $£ 54.80$ | $1.5 \%$ |
| 15.0 | $£ 49.80$ | $£ 50.40$ | $1.2 \%$ | $£ 53.20$ | $£ 54.00$ | $1.5 \%$ | $£ 57.80$ | $£ 58.40$ | $1.0 \%$ |
| 16.0 | $£ 53.40$ | $£ 54.00$ | $1.1 \%$ | $£ 56.80$ | $£ 57.60$ | $1.4 \%$ | $£ 61.40$ | $£ 62.00$ | $1.0 \%$ |
| 18.0 | $£ 60.60$ | $£ 61.40$ | $1.3 \%$ | $£ 64.00$ | $£ 64.80$ | $1.3 \%$ | $£ 68.60$ | $£ 69.40$ | $1.2 \%$ |
| 20.0 | $£ 67.80$ | $£ 68.60$ | $1.2 \%$ | $£ 71.20$ | $£ 72.20$ | $1.4 \%$ | $£ 75.80$ | $£ 76.60$ | $1.1 \%$ |

All example fares assume entire journey charged on distance rates

## Tariff times

- Tariff 1: Monday to Friday between 06:00 and 20:00
- Tariff 2: Monday to Friday between 20:00 and 22:00, Saturday and Sunday between 06:00 and 22:00
- Tariff 3: Every night between 22:00 and 06:00, Public holidays


## Annex D: Consultation list

Taxi driver associations:

- Licensed Taxi Drivers' Association
- London Cab Drivers' Club Ltd
- Heathrow Taxis
- Heathrow Airport Taxi Drivers United Ltd (HATDU)
- Unite the Union Cab Trade Section
- RMT Cab Trade Section
- United Cabbies Group

LTPH-authorised card payment agencies:

- CabCard Services (UK) Ltd
- Adelante Software Ltd
- Computer Cab PLC
- Radio Taxis Group Limited
- Verrus UK Ltd
- 123 SEND Ltd
- Verifone
- Visa Card Payments

Department for Transport
All London Local Authorities
London Councils
National Association of Licensing and
Enforcement Officers (NALEO)
London Assembly Members
London MP
City of London Police
Metropolitan Police Service

Other taxi organisations:

- Dial-a-Cab
- Radio Taxis Group
- Computer Cab
- Hailo
- London Motor Cab Proprietors Association

Taxi user bodies:

- Age UK
- Transport for All
- London Chamber of Commerce \& Industry
- London First
- London TravelWatch
- Suzy Lamplugh Trust
- Visit London

LTPH-authorised taximeter companies
LTPH Notice circulation including trades' press

## Annex E: Aide memoire <br> Purpose of the consultation

We are conducting this consultation on matters relating to taxi fares. In particular, we seek your views on the following proposals set out in this annex.

This document in its entirety forms the consultation document and any part of it may be referred to in a response.

Comments or information are specifically invited on the following points, but comment need not be limited to these. Below is a brief summary of the points covered in each section.

## 3. Annual revisions - general change in tariffs

Whether to use the cost index again to calculate the average increase to taxi fares or to consider a different method.

## 4. Date of tariff update

Should the date of the tariff review and update be changed and aligned with bus and rail fare increases.

## 5. Fuel prices

Should the provision for abnormal fuel price increases be continued.

## 6. Telephone bookings extra

Should the telephone booking extra be extended to cover taxi bookings using Smartphones, apps and online services.

## 7. Card payments - surcharge

What change to the card payment surcharge be made in order to ensure compliance with 'The Consumer Rights (Payment Surcharges) Regulations 2012'.

## 8. Christmas and New Year extra

Should the Christmas and New Year extra be changed so as it is automatically added to the taximeter, even if this results in some model of taximeter no longer being approved for use.

## 9. City Airport extra

In the event that LCAL introduce a fee fro drivers using the City Airport rank should an extra charge for passengers be introduced and should this be in line with the Heathrow Airport extra.

## 10. Heathrow Airport extra

Should the Heathrow Airport extra be reviewed following the reduction of the feeder park fee.

## 11. Wimbledon fixed-fare, shared-taxi schemes

Are the revised fixed-fare, shared-taxi fares for taxi trips during the Wimbledon Tennis Championship appropriate.

## 12. Fixed-fares between Heathrow Airport and central London

Should fixed-fares be introduced between Heathrow Airport and central London.

## 14. Making a Submission

Instructions and requirements for responses are given in Section 15.


[^0]:    ${ }^{1}$ Licensing information

[^1]:    ${ }^{2}$ Taxi \& PHV Driver Diary Survey, GfK NOP, 2009
    ${ }^{3}$ Black cab and minicab Customer Satisfaction Survey, TNS, 2012/13
    ${ }^{4}$ ibid.

[^2]:    ${ }^{5}$ Every licensed taxi is required to have a fare card displayed in the passenger compartment. The fare card includes typical taxi fares and a copy of the current card is available here www.tfl.gov.uk/taxifares.

[^3]:    ${ }^{6}$ Previously the Arval index was used but they have since ceased publishing fuel price figures. The AA fuel price report is available at http://www.theaa.com/motoring advice/fuel/

[^4]:    ${ }^{7}$ BIS Consultation on the early implementation of a ban on above cost payment surcharges, https://www.gov.uk/government/consultations/consultation-on-the-early-implementation-of-a-ban-on-above-cost-payment-surcharges

[^5]:    ${ }^{8}$ Black cab and minicab Customer Satisfaction Survey, TNS, 2012/13

[^6]:    ${ }^{9}$ Flat fares from JFK Airport to Manhattan, http://www.nyc.gov/html/tlc/html/passenger/taxicab rate.shtml, correct as of 10 September 2013
    ${ }^{10}$ Fixed fares between Rome city centre and airports, http://www.rome-airport.info/in.html

[^7]:    ${ }^{11}$ Consumer Price Inflation Detailed Briefing Note September 2013 http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/september-2013/consumer-price-indices--detailed-briefing-note.pdf

