

# Taxi Fares Review 2022 – Zone A & Zone B

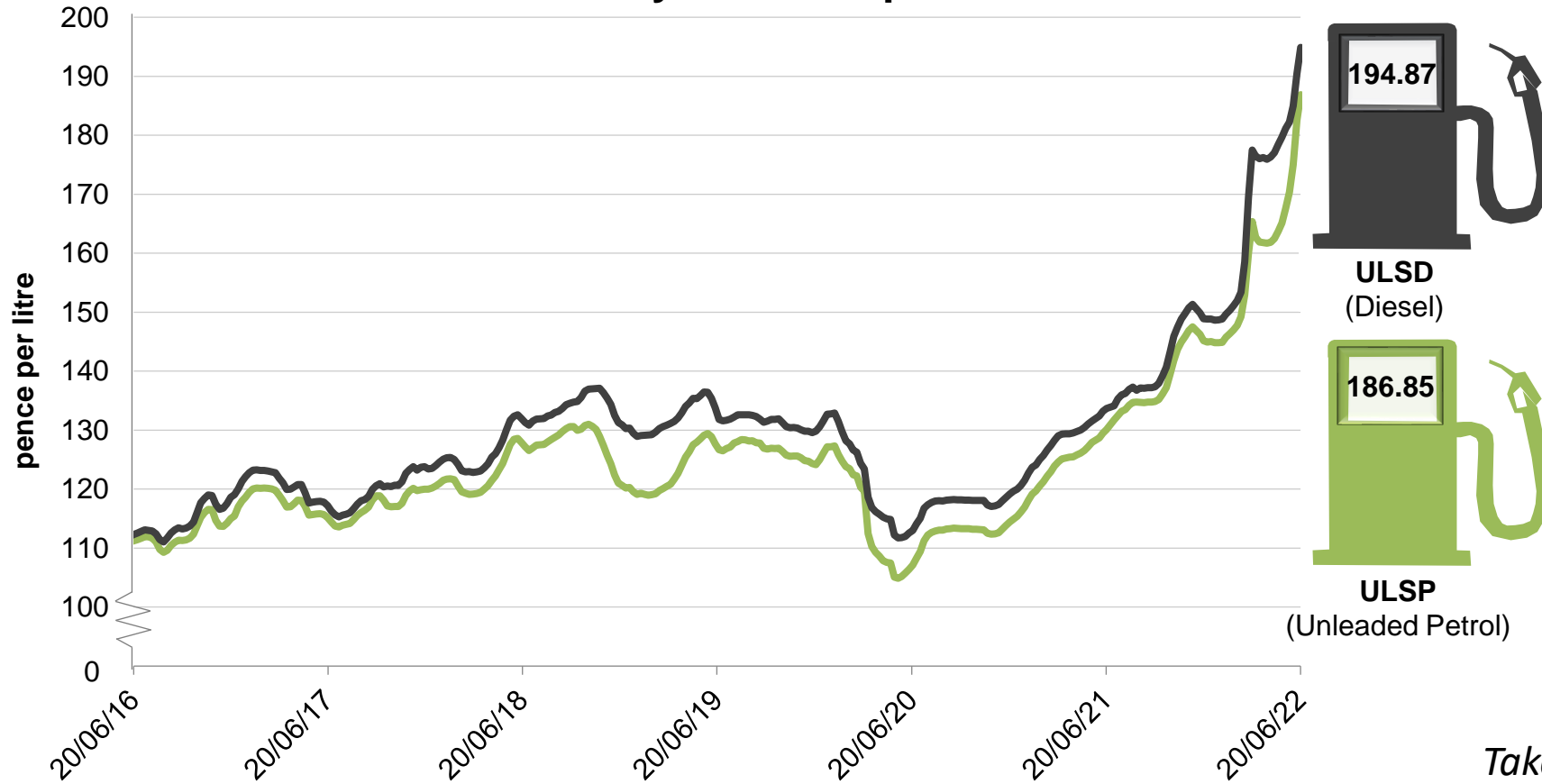
Licensing and Regulatory  
Committee July 2022

## **Background to Taxi Fares Review**

- A Taxi Fares review was last undertaken in 2019
- In December 2021 we received a request from a Zone B driver to undertake a fares review. We have also received a request from a driver in Zone A
- Licensing Team subsequently committed to undertaking a review of fares ready for July's meeting
- If approved the proposed fares will be published in the local press and there will be a minimum 14 day consultation period
- Ipswich Borough Council recently undertook a fares review and there was a 5% increase

# Road Fuel Prices

### Weekly road fuel prices



*Taken from  
Department for BEIS*

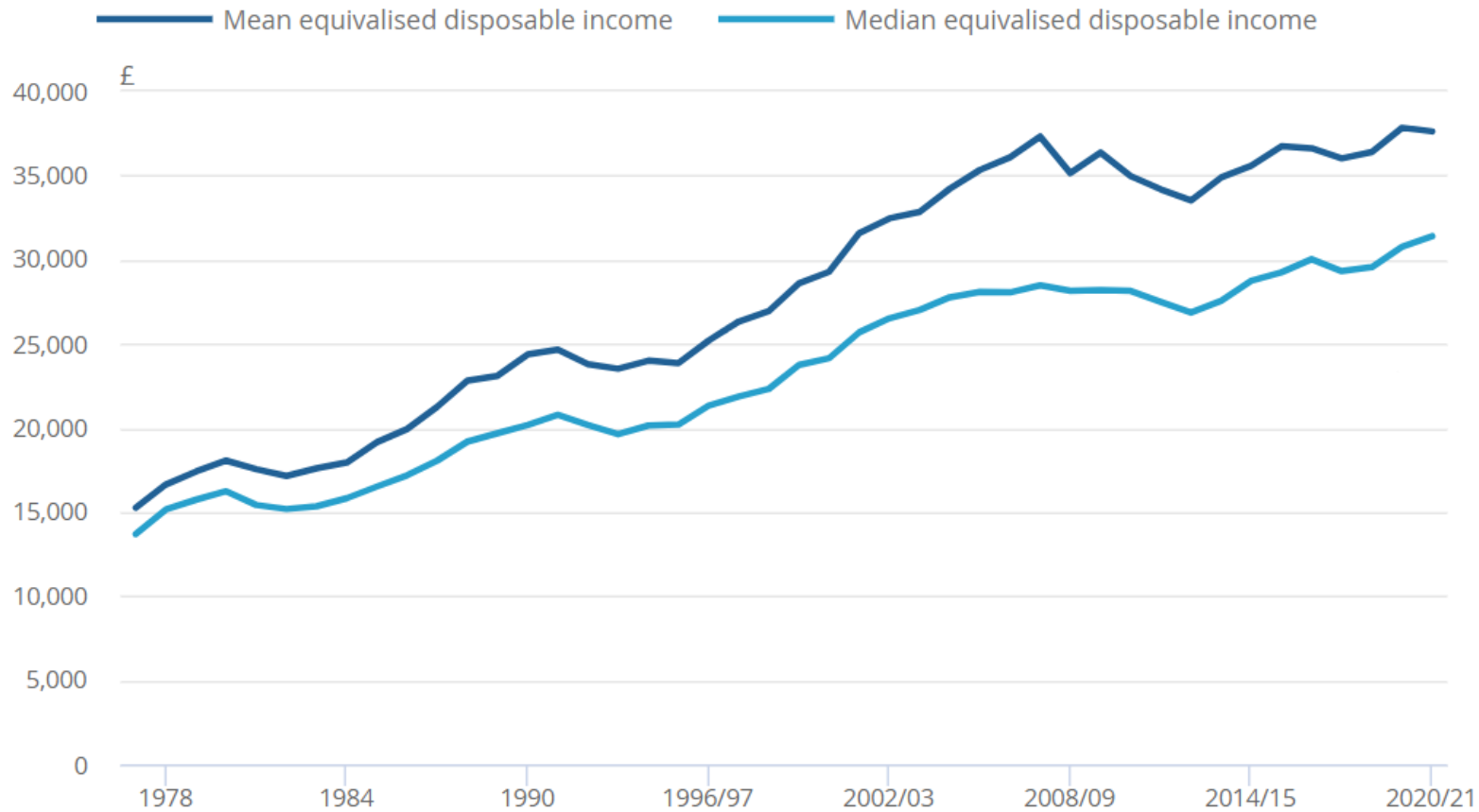
## **Additional Costs**

- Increase in cost of living
- Increase in cost of insurance and maintenance
- Increase in cost of purchasing vehicle

*The cost of used vehicles is on average 31.9% more expensive compared with a year ago (Auto Trader February 2022 Report)*

- Increase in associated costs e.g. road tax, DBS checks, etc.

## Median and mean real equivalised household disposable income of individuals, UK, 1977 to financial year ending 2021

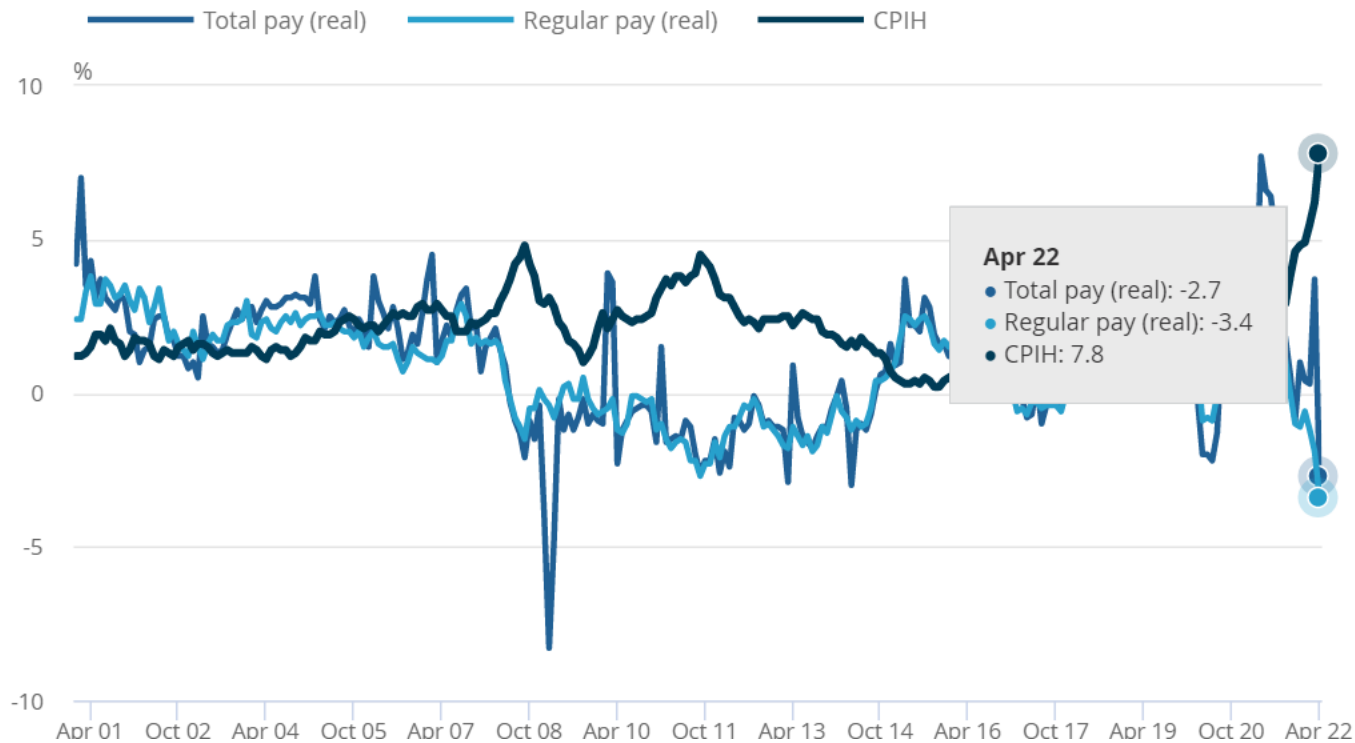


Source: Office for National Statistics

## Consumer Price Index Rises 2019-2022

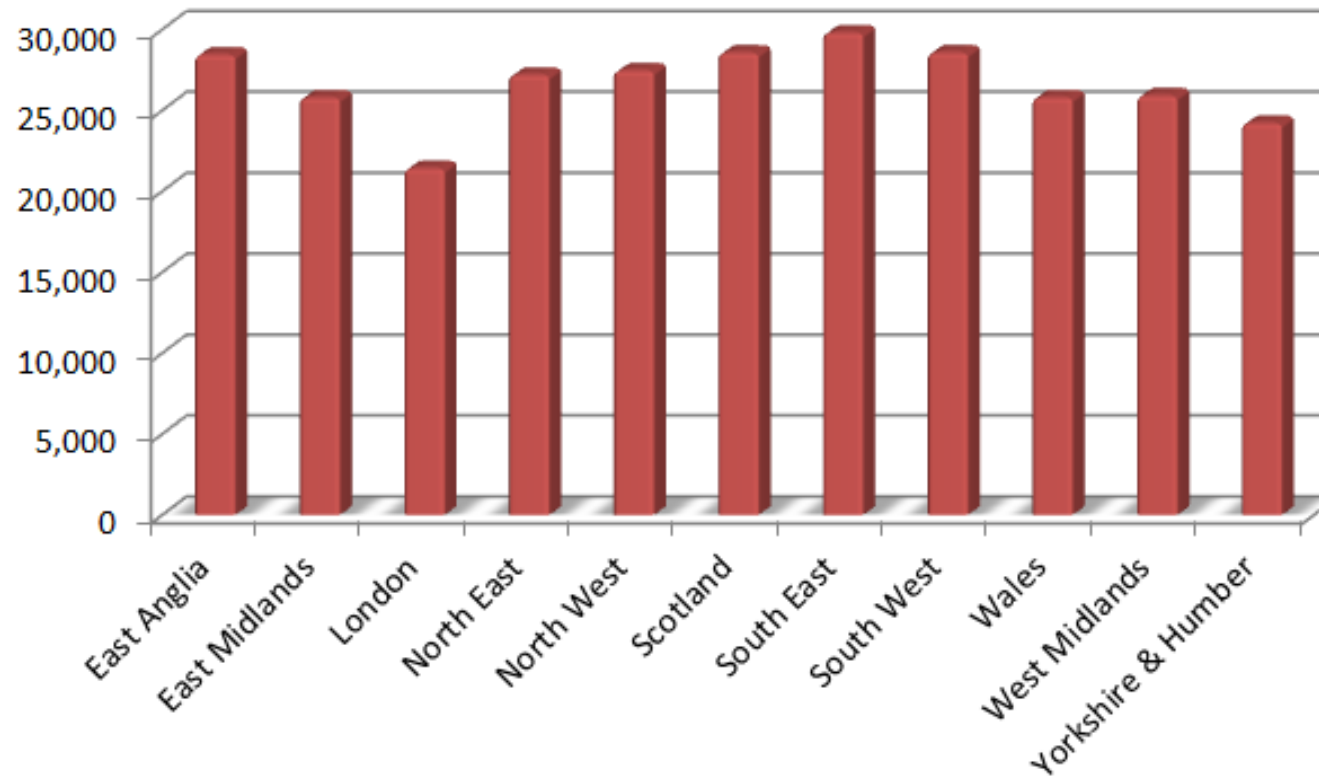
Real average weekly earnings single-month annual growth rates in Great Britain, seasonally adjusted, and CPIH annual rate, January 2001 to April 2022

Source: Office for National Statistics



## Average number of miles driven

- Annual average of just under 30,000 for East Anglia
- Supported by data collected from a recent survey as part of the review into wheelchair accessible vehicles



Average number of miles driven in a year - [Taxi Driver Survey - InsureTaxi](#)

## **Impact**

- Cost to taxi users – fares should not prejudice users who are reliant on taxis
- Small one-off costs for meter recalibration

### **Other costs:**

- Fare charge required to be advertised in local paper



## **Methodology for calculating fare increase**

### **Comparison of salary and running costs between 2019 and 2022**

- UK Average Salary
- Annual cost of fuel – 12 months of fuel reports reviewed
- Common associated costs e.g. cost of Licenses

### **Consumer Price Index Rise Applied**

- Mean of 12 month CPI average calculated (for three year period)
- Increase applied to median household disposable income
- Sum of total running costs and household disposable income (with CPI applied)

### **Compared against equivalent from 2019 (date of last fare review)**

- Difference expressed as a %

# Methodology for calculating fare increase contd.

ITEM	Standing Charges	Value	ITEM	Running Costs	Value
1	Median Household Disposable Income (UK) *1	£31,400.00	A	Annual average cost of fuel per litre (pence) *3	152.52
2	Annual Cost of Road Tax (pro-rata)*2	£330.00	B	Cost of fuel per gallon (pence)	693.36
			C	Annual Average Mileage	30000
			D	Average MPG of car within fleet	31.8
	*1 Taken from Average Household Income, UK - ONS		E	Annual cost of fuel (B*C)/D	654113.2075
	*2 Taken from RAC figures, Band J		F	Annual cost of fuel (£s)	£6,541.13
	*3 12 month rolling average using AA fuel price reports		G	Annual cost of Hackney Carriage License	£163.00
	*4 Pro-rata from Combined driver's, 3 yearly fee, as not currently offered by WSC		H	Annual cost of Drivers License (pro-rata)*4	£69.00
	*5 calculated from 6 monthly cost of enhanced DBS check		I	Annual cost of DBS checks *5	£80.00
			J	Annual cost of fees and associated charges (G+H+I)	£312.00
			K	Annual cost of running diesel Hackney (J+F)	£6,853.13
ITEM	Contents	Value			
1A	Median Household Disposable Income (UK)	£31,400.00			
1B	Average Annual Running Costs (2+K)	£7,183.13			
1C	Average CPI Increase since last review	3.90			
1D	CPI Increase (1C) applied to Median Household Disposable Income (1A)	£35,218.94			
1E	Total with CPI Increase Applied (1B+1D)	£42,402.07			
1F	Total from previous fare review	£36,598.52			
1G	% rise from the last fare review $(1E-1F)/1E*100$	13.68695113			

# Proposals

- a. Increase the fare up to the first mile (commonly referred to as the flag drop) by approximately 14% in respect of all six tariffs for both Zone A and Zone B
- b. Increase the charge for subsequent distance travelled by 14% across all six tariffs for both zones
- c. To bring forward the time at which tariffs 2 and 5 (night time rates) take effect from midnight to 10pm, and subsequently end tariffs 1 and 4 two hours earlier at 10pm across both zones
- d. To reword the additional charge from “if the vehicle is left unfit to work” to “soiling a vehicle to the extent that it is taken out of work”

# Comparison of Current and Proposed Fare Cards

Hackney Carriage Tariffs	
From 18 February 2019	
<b>Tariff 1 – Between the hours of 06:00 and midnight</b>	
If distance does not exceed 1 mile (1760 yards)	£3.80
For each 195 yards (178.308 metres) or part thereof or 47 seconds or a combination of time and distance The first mile will cost £3.80 and each subsequent mile £1.80 (approximately)	£0.20
<b>Tariff 2 – Between the hours of midnight and 06:00, on public/bank holidays AND 18:00 to midnight on Christmas Eve and New Year's Eve</b>	
If distance does not exceed 1 mile (1760 yards)	£5.60
For each 195 yards (178.308 metres) or part thereof or 47 seconds or a combination of time and distance The first mile will cost £5.60 and each subsequent mile £2.70 (approximately)	£0.30
<b>Tariff 3 – From midnight Christmas Eve to midnight Boxing Day and midnight New Year's Eve to midnight New Year's Day</b>	
If the distance does not exceed 1 mile (1760 yards)	£7.60
For each 195 yards (178.308 metres) or part thereof or 47 seconds or a combination of time and distance The first mile will cost £7.60 and each subsequent mile £3.60 (approximately)	£0.40
The Following tariffs apply when vehicles are carrying 5 or more passengers	
<b>Tariff 4 – Between the hours of 06:00 and midnight</b>	
If distance does not exceed 1 mile (1760 yards)	£5.55
For each 195 yards (178.308 metres) or part thereof or 47 seconds or a combination of time and distance The first mile will cost £5.55 and each subsequent mile £2.70 (approximately)	£0.30
<b>Tariff 5 – Between the hours of midnight and 06:00 or on a public/bank holiday AND from 18:00 to midnight on Christmas Eve and New Year's Eve</b>	
If the distance does not exceed 1 mile (1760 yards)	£7.55
For each 195 yards (178.308 metres) or part thereof or 47 seconds or a combination of time and distance The first mile will cost £7.55 and each subsequent mile £3.60 (approximately)	£0.40
<b>Tariff 6 – From midnight Christmas Eve to midnight Boxing Day and midnight New Year's Eve to midnight New Year's Day</b>	
If the distance does not exceed 1 mile (1760 yards)	£11.35
For each 195 yards (178.308 metres) or part thereof or 47 seconds or a combination of time and distance The first mile will cost £11.35 and each subsequent mile £4.96 (approximately)	£0.55
<b>Additional Charges</b>	
If the vehicle is left unfit to continue to work The equivalent amount of any congestion or toll charge incurred No charge or refusal for assistance dogs	£100 As charged

Hackney Carriage Tariffs	
From October 2022	
<b>Tariff 1 – Between the hours of 06:00 and 22:00</b>	
If the distance does not exceed 1513.60 yards (1384.04 meters)	£4.00
For each 167.7 yards (153.34 metres) or part thereof or 40 seconds or a combination of time and distance The first mile will cost £4.40	£0.20
<b>Tariff 2 – Between the hours of 22:00 and 06:00, on public/bank holidays AND 18:00 to midnight on Christmas Eve and New Year's Eve</b>	
If the distance does not exceed 1513.60 yards (1384.04 meters)	£5.90
For each 167.7 yards (153.34 metres) or part thereof or 40 seconds or a combination of time and distance The first mile will cost £6.20	£0.30
<b>Tariff 3 – From midnight Christmas Eve to midnight Boxing Day and midnight New Year's Eve to midnight New Year's Day</b>	
If the distance does not exceed 1513.60 yards (1384.04 meters)	£8.00
For each 167.7 yards (153.34 metres) or part thereof or 40 seconds or a combination of time and distance The first mile will cost £8.40	£0.40
<b>The Following tariffs apply when vehicles are carrying 5 or more passengers</b>	
<b>Tariff 4 – Between the hours of 06:00 and 22:00</b>	
If the distance does not exceed 1513.60 yards (1384.04 meters)	£5.80
For each 167.7 yards (153.34 metres) or part thereof or 40 seconds or a combination of time and distance The first mile will cost £6.10	£0.30
<b>Tariff 5 – Between the hours of 22:00 and 06:00 or on a public/bank holiday AND from 18:00 to midnight on Christmas Eve and New Year's Eve</b>	
If the distance does not exceed 1513.60 yards (1384.04 meters)	£7.90
For each 167.7 yards (153.34 metres) or part thereof or 40 seconds or a combination of time and distance The first mile will cost £8.30	£0.40
<b>Tariff 6 – From midnight Christmas Eve to midnight Boxing Day and midnight New Year's Eve to midnight New Year's Day</b>	
If the distance does not exceed 1513.60 yards (1384.04 meters)	£11.90
For each 167.7 yards (153.34 metres) or part thereof or 40 seconds or a combination of time and distance The first mile will cost £13.00	£0.55
<b>Additional Charges</b>	
Soiling a vehicle to the extent that it is taken out of work The equivalent amount of any congestion or toll charge incurred <b>No charge or refusal for assistance dogs</b>	£100 As charged

# Example Journeys across Tariffs 1-3

<b>Tariff 1</b>	<b>WSC Current Fare</b>	<b>WSC Proposed Fare</b>	<b>WSC % Increase</b>	<b>PTS Proposed (&lt;6 seats)</b>	<b>PTS % Increase</b>	<b>RD Proposed</b>	<b>RD % Increase</b>
Journey of 1 mile	£3.80	£4.40	15.79	£6.00	57.89	£5.00	31.58
Journey of 2 miles	£5.60	<b>£6.40</b>	14.29	£8.20	41.38	<b>£7.20</b>	28.57
Journey of 3 miles	£7.40	£8.80	18.92	£10.40	36.84	£9.20	24.32
Journey of 5 miles	£11.00	£13.00	18.18	£12.60	32.14	£13.40	21.82
Journey of 10 miles	£20.00	£23.60	18.00	£14.80	27.72	£24.00	20.00
Journey of 20 miles	£38.00	£44.60	17.37	£16.60		£45.00	18.42
<b>Tariff 2</b>	<b>WSC Current Fare</b>	<b>WSC Proposed Fare</b>	<b>WSC % Increase</b>	<b>PTS Proposed (&lt;6 seats)</b>	<b>PTS % Increased</b>	<b>RD Proposed</b>	<b>RD % Increase</b>
Journey of 1 mile	£5.60	£6.20	10.71	£9.00	60.71	£7.50	33.93
Journey of 2 miles	£8.30	£9.50	14.46	£12.30	43.02	£10.50	26.51
Journey of 3 miles	£11.00	£12.80	16.36	£15.60	38.05	£13.80	25.45
Journey of 5 miles	£16.40	£19.10	16.46	£22.20	32.93	£20.10	22.56
Journey of 10 miles	£29.90	£35.00	17.06	£38.70	28.15	£35.70	19.40
Journey of 20 miles	£56.90	£66.50	16.87			£67.20	18.10
<b>Tariff 3</b>	<b>WSC Current Fare</b>	<b>WSC Proposed Fare</b>	<b>WSC % Increase</b>	<b>PTS Proposed (&lt;6 seats)</b>	<b>PTS % Increase</b>	<b>RD Proposed</b>	<b>RD % Increase</b>
Journey of 1 mile	£7.60	£8.40	10.53	£12.00	57.89	£10.00	31.58
Journey of 2 miles	£11.20	£12.80	14.29	£16.40	41.38	£14.40	28.57
Journey of 3 miles	£14.80	£17.20	16.22	£20.80	36.84	£18.40	24.32
Journey of 5 miles	£22.00	£25.60	16.36	£29.60	32.14	£26.80	21.82
Journey of 10 miles	£40.00	£46.40	16.00	£51.60	32.14	£48.00	20.00
Journey of 20 miles	£76.00	£88.40	16.32			£90.00	18.42

# Example Journeys across Tariffs 4-6

<b>Tariff 4</b>	<b>Current Fare</b>	<b>WSC Proposed Fare</b>	<b>WSC % Increase</b>	<b>PTS Proposed (&lt;6 seats)</b>	<b>PTS % Increase</b>	<b>RD Proposed</b>	<b>RD % Increase</b>
Journey of 1 mile	£5.55	£6.10	9.91	£9.00	62.16	£7.50	35.14
Journey of 2 miles	£8.25	£9.40	13.94	£12.30	43.86	£10.50	27.27
Journey of 3 miles	£10.95	£12.70	15.98	£15.60	38.67	£13.80	26.03
Journey of 5 miles	£16.35	£19.00	16.21	£22.20	33.33	£20.10	22.94
Journey of 10 miles	£29.85	£34.60	15.91	£38.70	28.36	£35.70	19.60
Journey of 20 miles	£56.85	£66.10	16.27			£67.20	18.21
<b>Tariff 5</b>	<b>Current Fare</b>	<b>WSC Proposed Fare</b>	<b>WSC % Increase</b>	<b>PTS Proposed (&lt;6 seats)</b>	<b>PTS % Increase</b>	<b>RD Proposed</b>	<b>RD % Increase</b>
Journey of 1 mile	£7.55	£8.30	9.93	£13.50	78.81	10.00	32.45
Journey of 2 miles	£11.15	£12.70	13.90	£18.45	59.74	14.40	29.15
Journey of 3 miles	£14.75	£17.10	15.93	£23.40	54.46	18.40	24.75
Journey of 5 miles	£21.95	£25.50	16.17	£33.30	48.99	26.80	22.10
Journey of 10 miles	£39.95	£46.70	16.90	£58.05	43.87	48.00	20.15
Journey of 20 miles	£75.95	£88.70	16.79			90.00	18.50
<b>Tariff 6</b>	<b>Current Fare</b>	<b>WSC Proposed Fare</b>	<b>WSC % Increase</b>	<b>PTS Proposed (&lt;6 seats)</b>	<b>PTS % Increase</b>	<b>RD Proposed</b>	<b>RD % Increase</b>
Journey of 1 mile	£11.35	£13.00	14.54	£18.00	58.59	14.90	31.28
Journey of 2 miles	£16.31	£18.50	13.43	£24.60	45.99	20.40	25.08
Journey of 3 miles	£21.27	£25.65	20.59	£31.20	43.12	26.45	24.35
Journey of 5 miles	£31.19	£37.20	19.27	£44.40	40.06	38.00	21.83
Journey of 10 miles	£55.99	£65.80	17.52	£77.40	37.11	66.60	18.95
Journey of 20 miles	£105.59	£123.55	17.01			124.35	17.77

# Journey Comparisons

• <b>PTS Proposed</b>	<b>£8.20</b>
• <b>RD Proposed</b>	<b>£7.20</b>
• Ipswich	£6.60
• East Suffolk North	£6.60
• Mid Suffolk	£6.40
• <b>Proposed West Suffolk</b>	<b>£6.40</b>
• <b>National Average</b>	<b>£6.28</b>
• Babergh	£6.26
• East Suffolk South	£6.20
• <b>Current West Suffolk</b>	<b>£5.60</b>

If the proposed fare increase were to be approved, a 2-mile journey on tariff 1 would amount to £6.40, rather than the current rate of £5.60.

*National average sourced from Private Hire Trade Monthly, June 2022*

# Journey Comparisons

As a further comparison West Suffolk Council are currently placed at **259** out of the **350** Local Authorities that impose a tariff for their hackney carriages. The Licensing Team's proposed increase would lead to a standing of **146** out of **350** Local Authorities, the PTS proposals would leave WS at number **8** whilst the RD proposals would result in a standing of **41** out of **350**.

(Private Hire Trade Monthly, June 2022)







## **Proposed Timetable – subject to confirmation**

- **11 July** – Report delivered to Licensing and Regulatory Subcommittee
- **11 July** – Decision on whether to approve proposed fare increases
- **21 July (tbc)** – If approved revised fare card published in local newspaper
- **21 July** – Email sent to the trade to advise on start of consultation period
- **21 July** – 23 day consultation period starts
- **12 August** – End of consultation period
- **15 August - 26 August** – Results of consultation reviewed
- **September (tbc)** – Hackney Carriage meters to be updated
- **October (tbc)** – Revised fares come into effect across Zone A and Zone B