

Taxi Fares and Tariff Review Consultation 2016

Consultation report

March 2016

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Executive summary

From 26 October 2015 to 21 December 2015, we consulted on proposals to change the fares and tariffs for taxis (black cabs).

We received 418 responses to the consultation. 313 responses were submitted by licensed taxi drivers, and 86 responses from taxi users or members of the public. In addition, we received 19 responses from stakeholders.

397 of the responses were submitted online by answering a structured questionnaire and leaving comments while 21 responses were received by email or letter.

The consultation was designed to obtain feedback on the range of taxi tariffs and fare options, and to help us understand opinion on current tariffs and fares to inform the annual review of taxi fares.

The following changes to taxi fares and tariffs will apply from 2 April 2016:

- A 1.6% increase to taxi fares
- Increase in the minimum fare from £2.40 to £2.60
- Extension of the provision for a 40 pence additional charge for all taxi journeys, to be implemented if London retail diesel prices (as measured by the AA fuel price report) reach the threshold figure of 148.56 pence per litre
- A new provision where all taxi fares are reduced by 40 pence if London retail diesel prices (as measured by the AA fuel price report) reached the threshold figure of 72.70 pence per litre
- Changing the end time of Tariff Three from 06:00 to 05:00, and changing the start times of the other tariffs
- Linking the tariff rate for longer journeys to distance only

In addition, a full review of the Cost Index and current fares and tariffs will be conducted.

A summary of the key proposals and the response received is included below:

Continuing to use the Cost Index and the three basic principles

242 (61%) respondents supported the continued use of the Cost Index to set fares and tariffs. 80 respondents (20%) did not believe the Cost Index should be used.

Provision for an extra charge of 40 pence if fuel prices increase significantly, or for fares to be reduced if fuel prices decrease significantly

281 (70%) respondents supported the continued provision for an extra charge if fuel prices increase significantly, 80 (20%) did not believe it should continue. 151 (38%) believed a provision should exist to reduce fares if fuel prices decrease significantly, but this was opposed by 190 (47%) respondents.

Changes to the current minimum taxi fare (currently £2.40)

A total of 187 (47%) of respondents supported changing the minimum fare. Of this total a majority of 153 (38%) were in favour of an increase, and 34 (9%) in favour of a decrease. 188 (47%) of responses supported keeping the existing minimum fare.

A total of 172 (43%) respondents specified a new minimum fare when asked and were given the option of choosing from a range of suggested fares (£2.00 to £3.20) or entering their own fare in an open field. The most popular alternative fare option was £3.00 with 63 (16%) responses. 46 (12%) respondents opted to suggest their own fare, or use the field to leave comments.

Changing the times when Tariff Three applies (currently 22:00 to 06:00)

197 (49%) respondents believed that Tariff Three should continue to start at 22:00, whilst 159 (40%) wanted it to change, and of these 97 (24%) respondents would like the tariff to start at midnight (00:00). A large majority of 272 (68%) responses wanted the end time of Tariff Three to remain at 06:00, but the most popular alternative finishing time was 05:00 which was stated by 32 (8%) of consultees.

Changing the arrangement when the tariff rate for longer journeys starts

There was clear support for changing the tariff rate for longer journeys to apply once a certain distance is reached with 205 (51%) responses, compared with 119 (30%) who believed the existing arrangement of applying the different rate once a certain fare has been reached is the most appropriate.

The current Cost Index elements and if these are still appropriate, or if changes are required

170 (43%) respondents think that the current Cost Index elements remain appropriate, with only 58 (15%) saying that they are not. However, 138 (35%) consultees selected "Don't Know".

Fixed fare and capped fare schemes for certain trips

Support for the introduction of fixed fare schemes was generally higher than for capped fare schemes. 227 (57%) respondents supported the principle of fixed fare schemes with 120 (30%) opposed, compared to 190 (48%) in support of capped fares and 150 (38%) opposed. The majority of respondents also favoured the example fixed and capped schemes between central London and Heathrow Airport.

The responses received to this consultation are used to inform changes to the fares and tariffs which takes place on 2 April 2016. Our response to issues raised in this consultation will be published in early summer 2016.

Background

Transport for London (TfL) licenses and regulates taxi and private hire services in London. As part of this, we set the maximum fares that taxis (black cabs) can charge. These fares are determined by tariffs that are reviewed each year and normally changed in early April, to reflect changes in a Cost Index that reflects the costs of operating a taxi in London.

Previous tariff reviews have followed three basic principles:

- Using the taxi Cost Index to guide the increase in average taxi fares;
- Maintaining reasonable differentials between the day, evening/weekend and late night tariffs; and
- Maintaining a reasonable progression of fare with journey length.

The taxi fares and tariff review in 2015 resulted in a proposed decrease of average taxi fares by 0.1 per cent. However, as this change was so small, it was decided that the decrease would be deferred until April 2016. This decision was taken to save all taxi vehicle licensees the time and costs of having to physically update their taximeters for such a small change.

1 The consultation

The consultation ran from 26 October 2015 to 21 December 2015 and was designed to enable TfL to understand opinion on a range of issues related to taxi charges.

We consulted stakeholders, and members of the public, and sought comment on proposals to change taxi fares and tariffs in line with the annual review of fares and tariffs.

We sought views on the following proposals:

- Continuing to use the Cost Index and the three basic principles to set taxi fares and tariffs in London. Using the best information available at the time of consultation launch, and taking into account the 0.1 per cent decrease from 2015, this would mean an increase to average taxi fares of 0.8 per cent.
- Continuing the present arrangement that allows taxi drivers to add an extra charge of 40 pence if fuel prices increase significantly
- Introducing a provision that fares should be reduced if fuel prices decrease significantly
- Changing the current minimum taxi fare
- Changing the times when tariff three applies (currently 22:00 to 06:00)
- Changing the arrangement when the tariff rate for longer journeys starts from being linked to the fare to being linked to the distance travelled
- Any other views and/or suggestions of changes to the current tariff that would benefit drivers and passengers
- The current Cost Index elements and if these are still appropriate, or if changes are required
- Fixed fare and capped fare schemes

The potential outcomes of the consultation are:

- We decide the consultation raises no issues that should prevent us from proceeding with the proposals as originally planned.
- We modify the proposals in response to issues raised in consultation.
- We abandon the proposals as a result of issues raised in the consultation.

The objectives of the consultation were:

- To give stakeholders and the public easily-understandable information about the proposals and allow them to respond.
- To understand the level of support or opposition for the change to Taxi Fares and tariffs.
- To understand any issues that might affect the proposal of which we were not previously aware.
- To understand concerns and objections.
- To allow respondents to make suggestions.

1.1 Who we consulted

The consultation sought to gauge the level of support for or opposition to the proposals, and gain an understanding of any concerns and objections. The consultation also wanted to identify any issues not already considered to inform the annual review of taxi fares, and the subsequent revision on 2 April 2016.

A variety of methods were used to publicise the consultation including notices on social media (Twitter), a press release, and emails to stakeholders including:

- Taxi trade associations;
- Licensed taxi drivers (for whom TfL had a contact email address);
- All London Boroughs and authorities within the GLA boundary;
- Members of Parliament;
- GLA members; and
- Passenger groups such as London TravelWatch.

A complete list of stakeholders consulted can be found in Appendix A of this report.

The consultation was advertised on the TfL Taxi & Private Hire Twitter account with tweets being sent out at various times during the consultation. A follow up email was sent out on 7 December 2015 to taxi trade associations and stakeholders reminding them to take part in the consultation.

1.2 Consultation material, distribution and publicity

People were invited to respond to the consultation using a variety of methods. They could respond via our freepost address (FREEPOST TFL CONSULTATIONS), by emailing consultations@tfl.gov.uk or by accessing the online consultation where they could let us know their views.

The consultation was published online at: <https://consultations.tfl.gov.uk/tph/taxi-fare-and-tariff-review-2016>.

The dedicated webpage explained the background to the proposal, and additional links were provided to further information about the fares and tariffs, and the Cost Index used to inform the proposed revision.

Consultees were encouraged to complete an online survey divided into separate questions on each of the sections of the proposals. A general section of closed questions was included which was used to identify whether the respondent was a licensed driver, a taxi user, or a non-taxi user, and this led respondents to additional questions about background depending on their answer. All respondents were directed to a core set of questions about proposed changes to fares and tariffs. A full list of the consultation questions is detailed in Appendix C

Consultees were able to answer as many or as few of the questions on the core section as they wished. We also invited people to respond with comments on many of the sections. These fields were not compulsory.

Copies of the consultation materials are shown in Appendix B.

2 Overview of consultation responses

The consultation generated 418 responses; 313 represented the views of individual London licensed taxi drivers, 86 were from members of the general public or businesses, and 19 were received from stakeholders. 303 of the taxi drivers categorised themselves as All London drivers while 10 identified themselves as Suburban drivers. 397 of the responses were submitted online, while 21 responses were received by email.

3 Responses from taxi drivers, members of the public, and businesses

We asked five generic questions to all consultees online. We asked respondents for their name, email address, postcode, if they were responding on behalf of an organisation, how they heard about the consultation. We also asked respondents to state whether they were a licensed taxi driver, taxi user, non-taxi user with subsequent background questions dependent on their choice.

The following is a summary of the responses to each question. Where applicable the responses by licensed taxi drivers are shown as a proportion of the overall response.

Generic questions (no results shown)

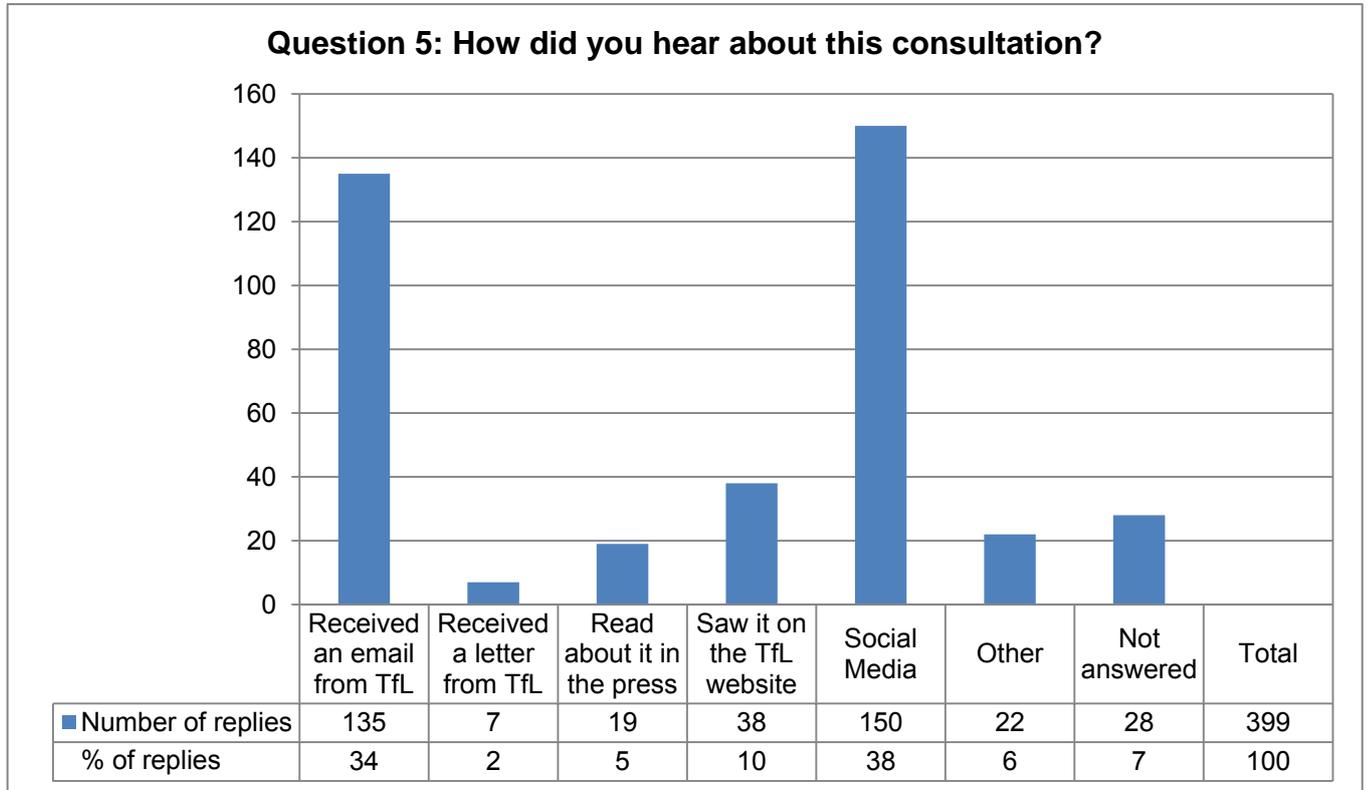
Question 1: What is your name? (*Open field*)

Question 2: What is your email address? (*Open field*)

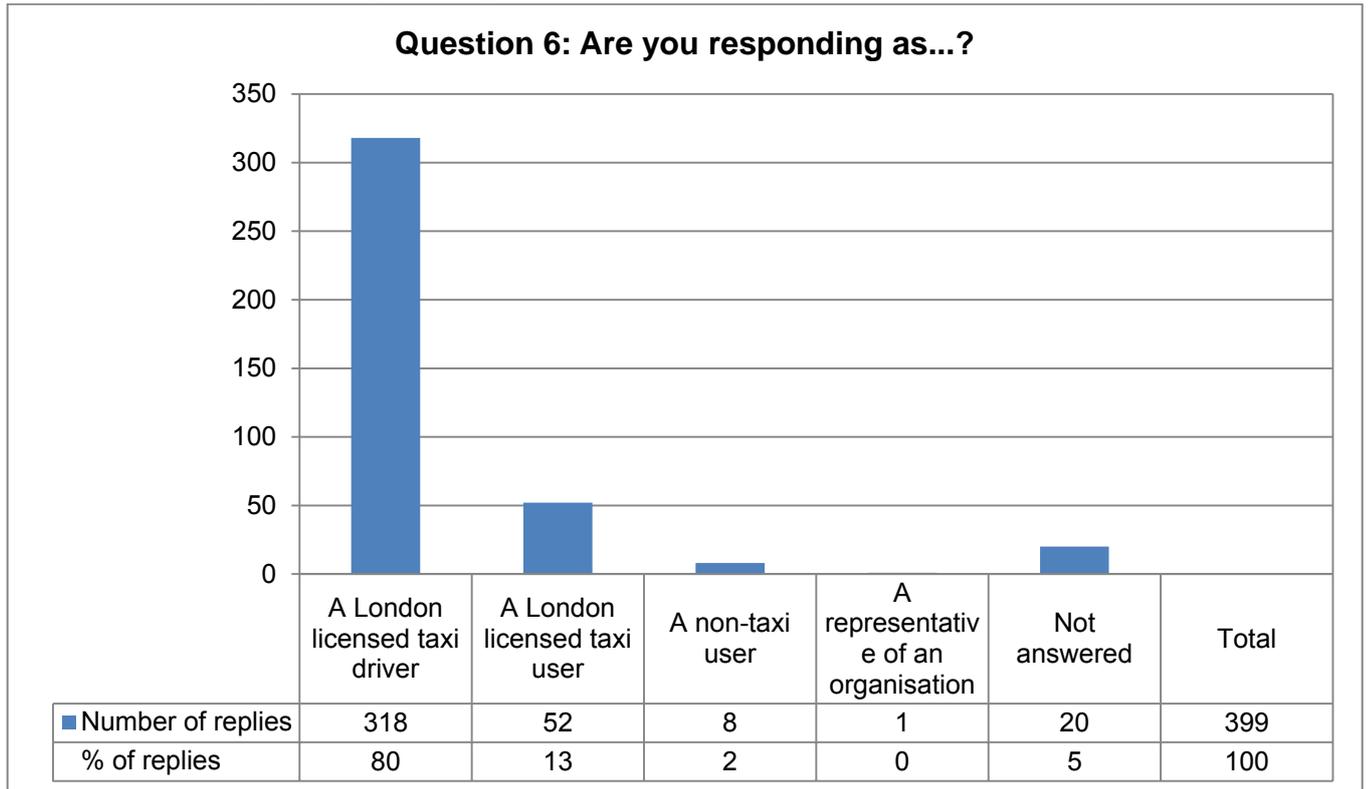
Question 3: Please provide us with your postcode? (*Open field*)

Question 4: If responding on behalf of an organisation, business or campaign group, please provide us with the name: (*Open field*)

Question 5: How did you hear about this consultation: (*Closed question*)

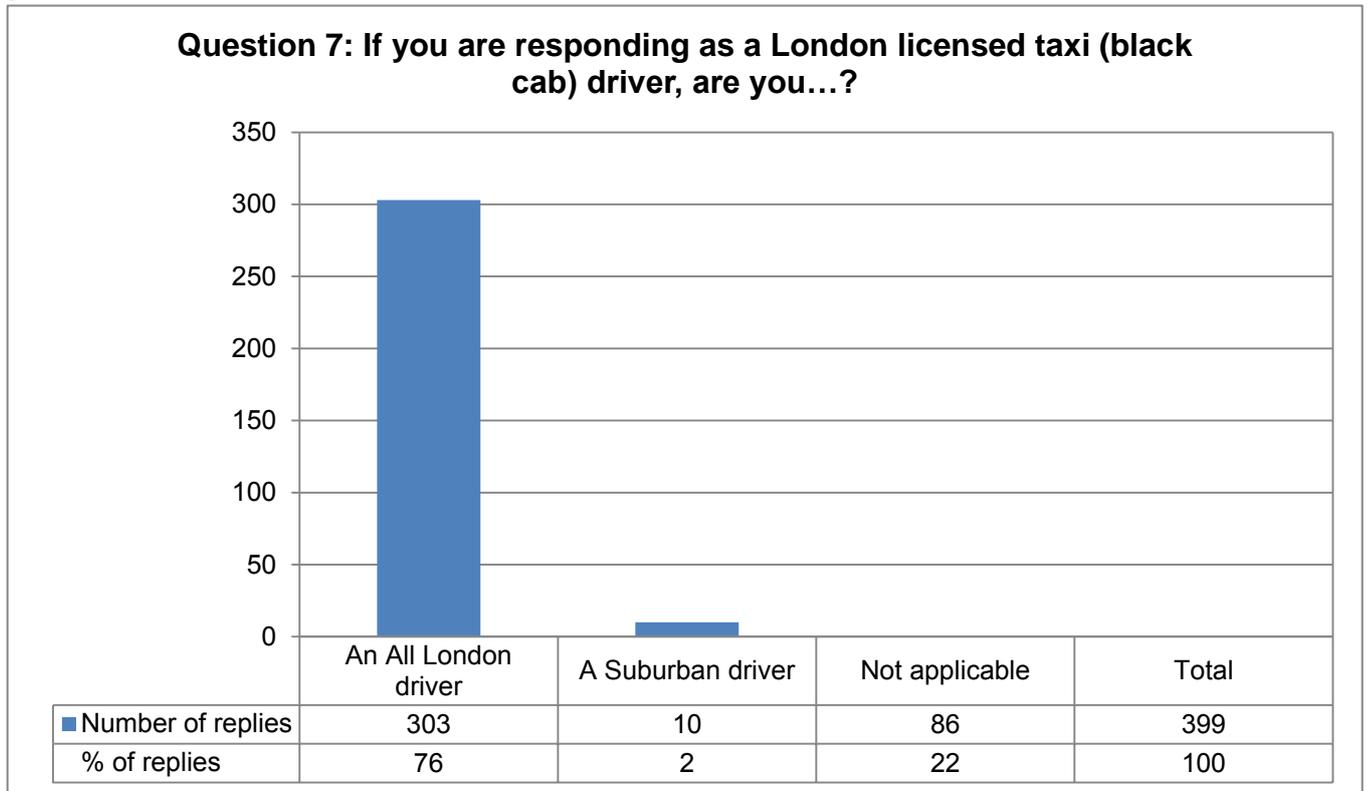


Question 6: Are you responding as...



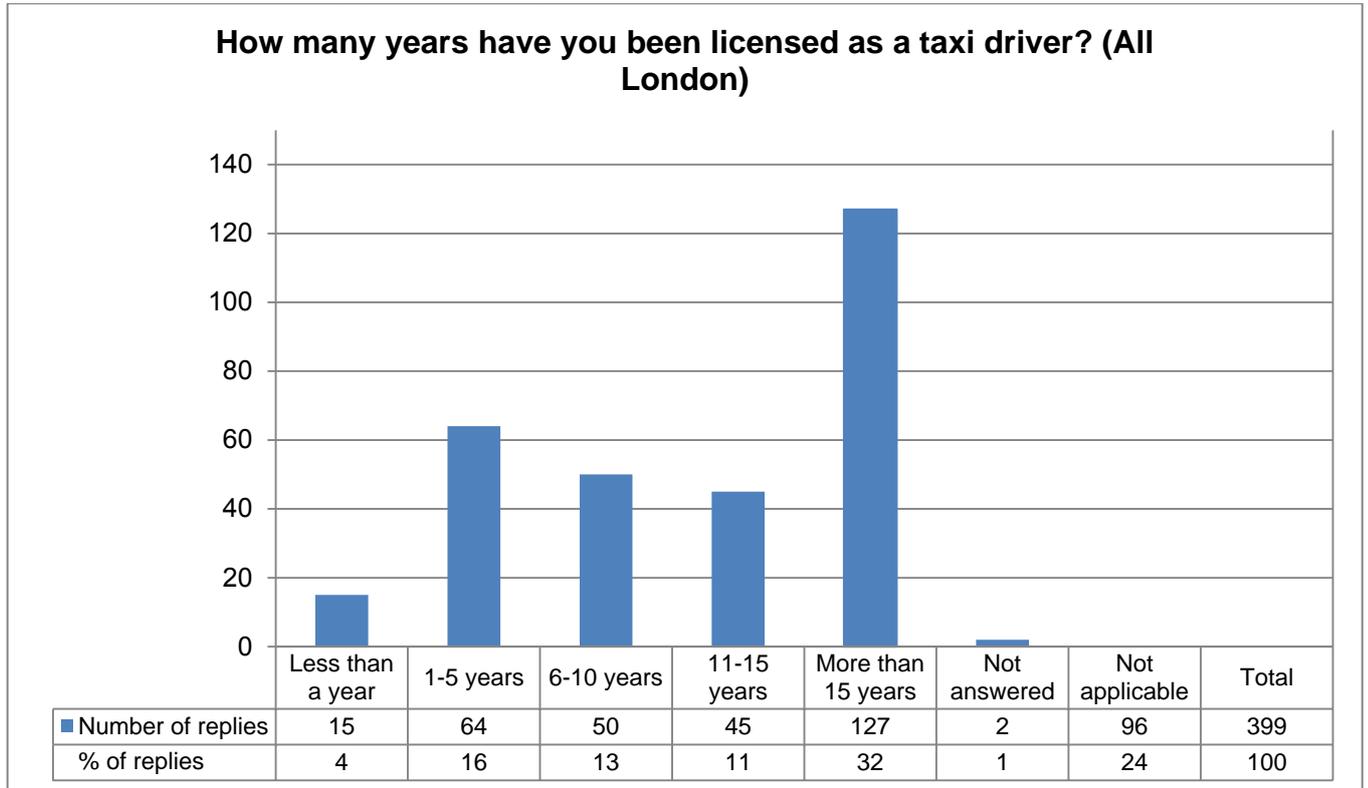
Licensed taxi drivers

Question 7: If you are responding as a London licensed taxi (black cab) driver, are you...?

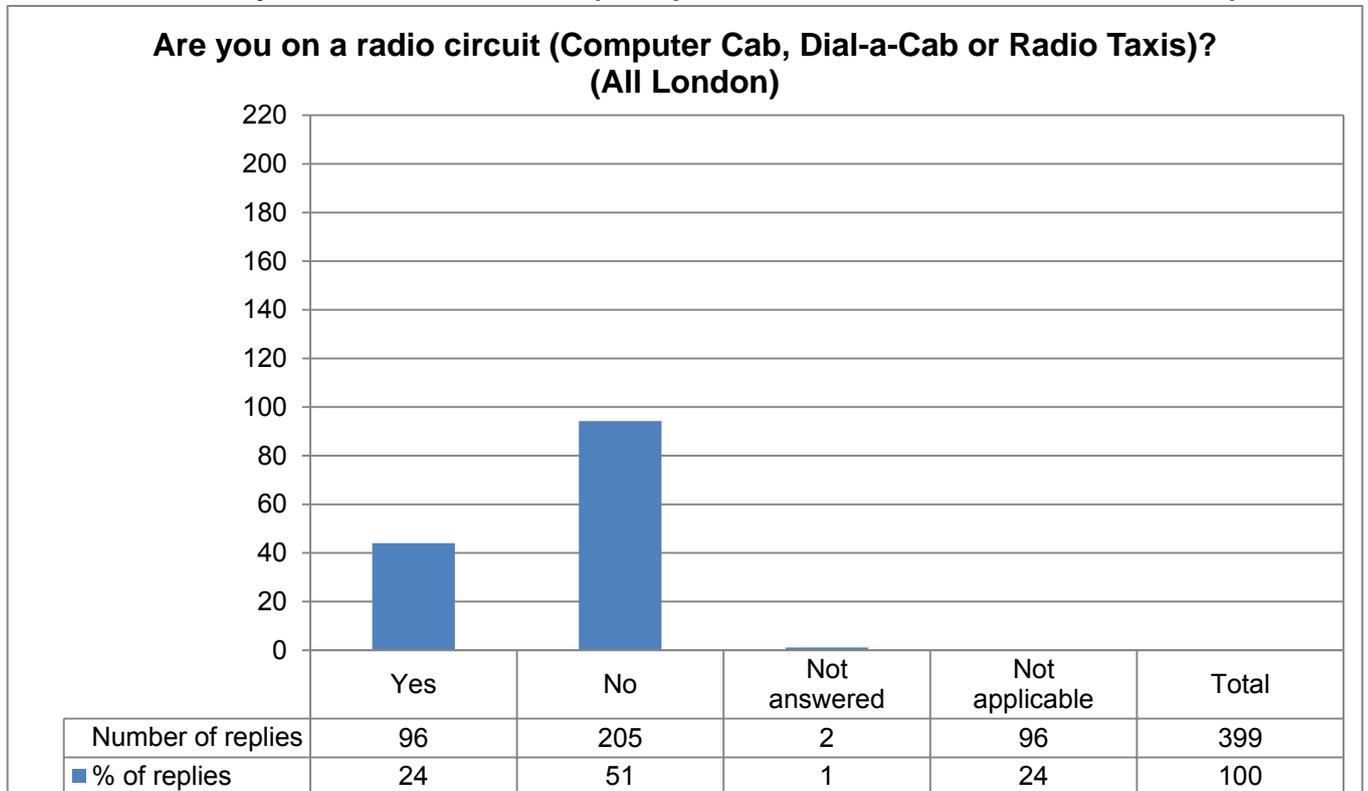


Taxi drivers (All London)

Question 8: How many years have you been licensed as a taxi driver?

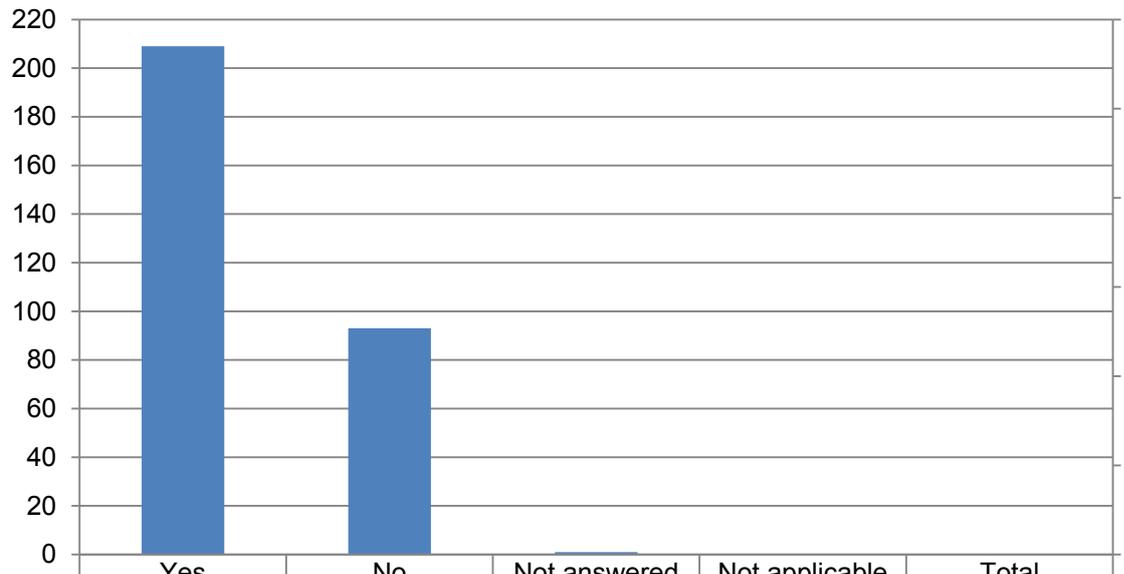


Question 9: Are you on a radio circuit (Computer Cab, Dial-a-Cab or Radio Taxis)?



Question 10: Are you with a taxi app (e.g. Get Taxi/Gett UK, Hailo, etc

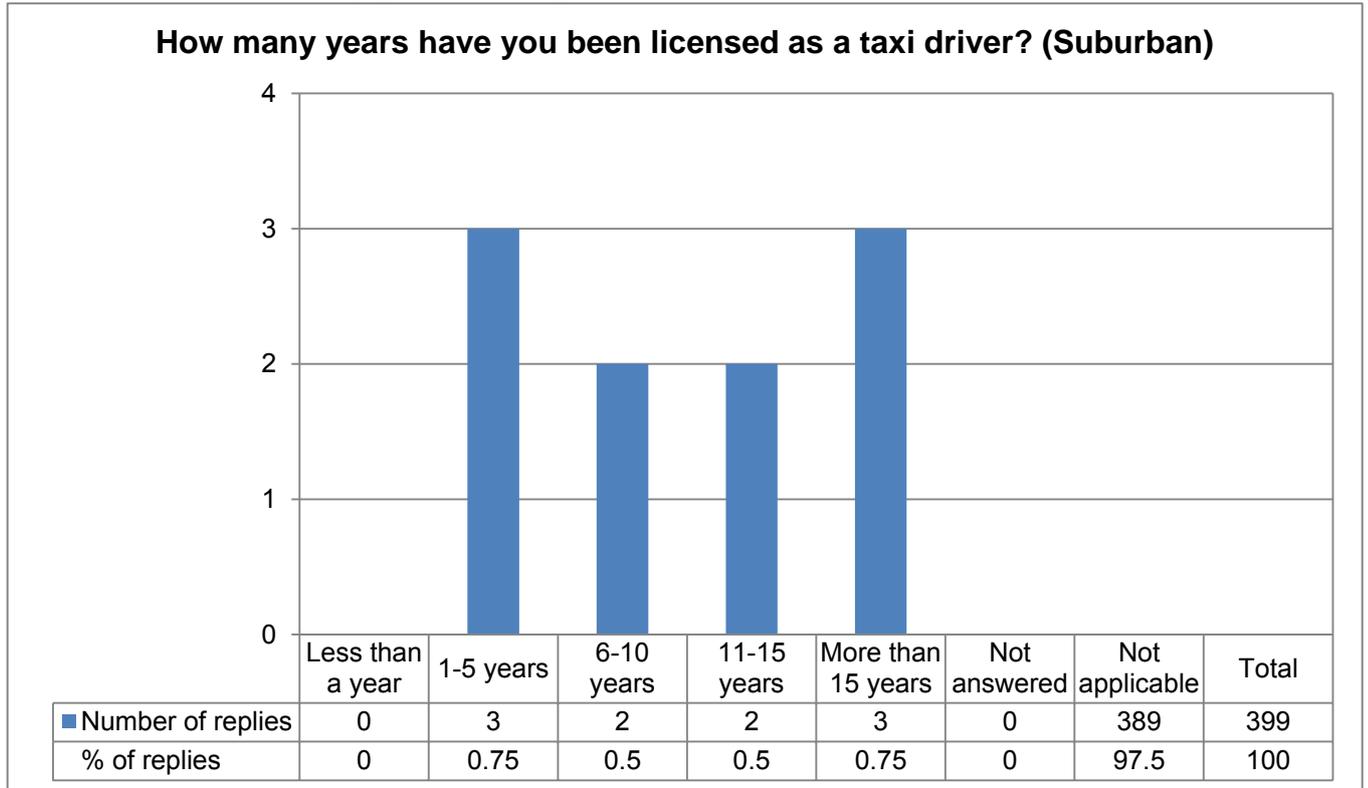
Are you with a taxi app (e.g Get Taxi/ Gett UK, Hailo etc.)? (All London)



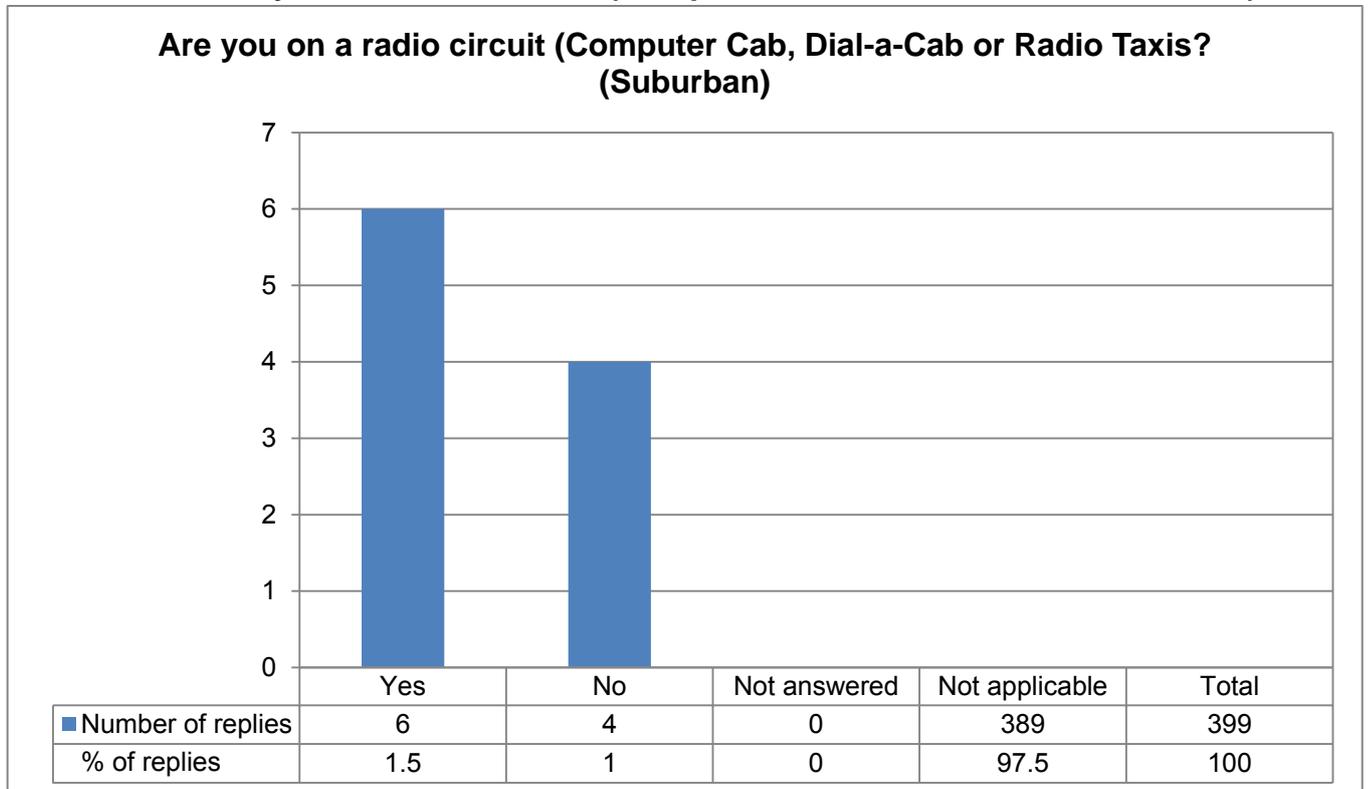
	Yes	No	Not answered	Not applicable	Total
■ Number of replies	209	93	1	96	399
% of replies	53	23	0	24	100

Taxi drivers (Suburban)

Question 11: How many years have you been licensed as a taxi driver?

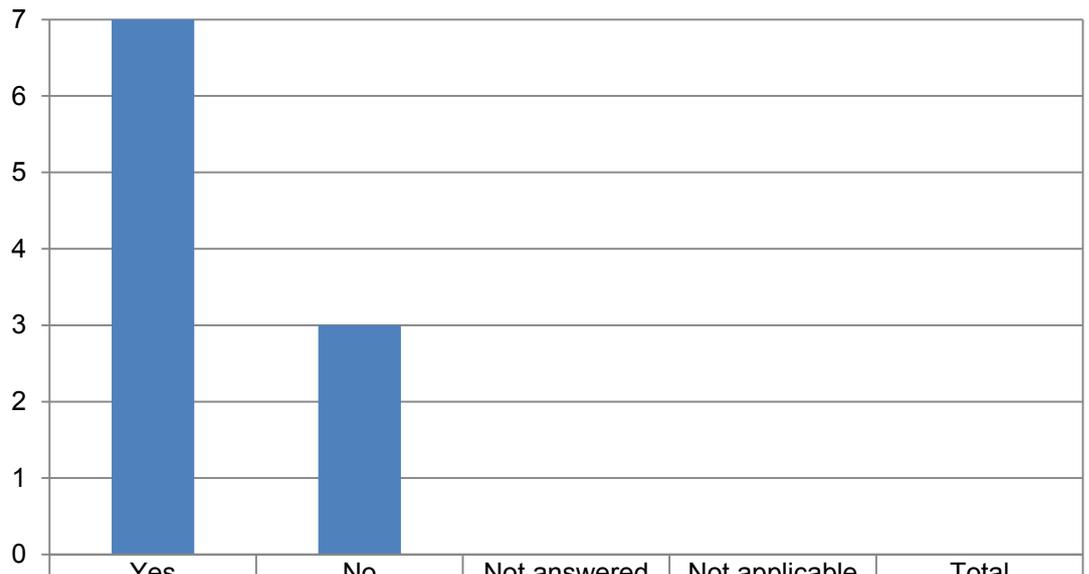


Question 12: Are you on a radio circuit (Computer Cab, Dial-a-Cab or Radio Taxis)?



Question 13: Are you with a taxi app (e.g. Get Taxi/Gett UK, Hailo, etc.)?

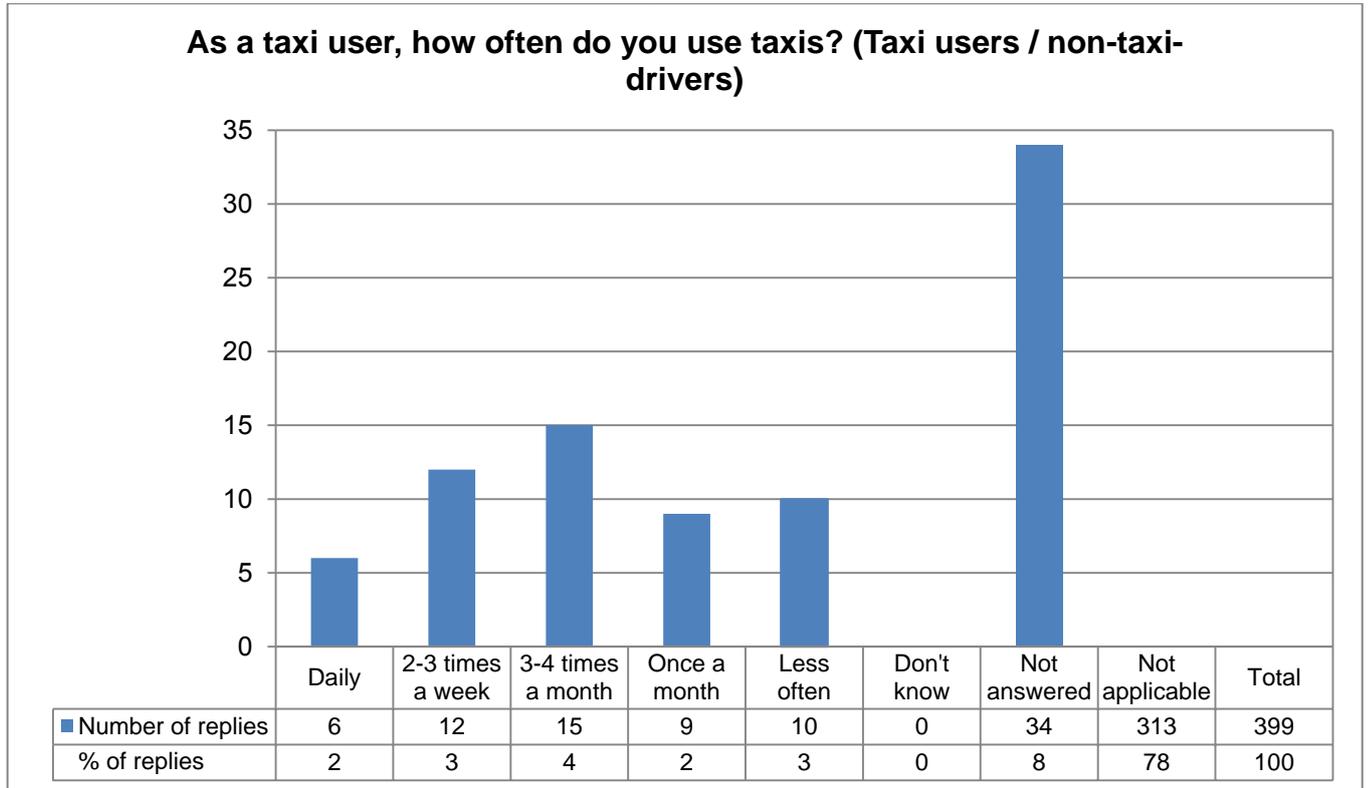
**Are you on with a taxi app (e.g. Get Taxi/ Gett UK, Hailo, etc.)?
(Suburban)**



	Yes	No	Not answered	Not applicable	Total
■ Number of replies	7	3	0	389	399
% of replies	1.75	0.75	0	97.5	100

Taxi users

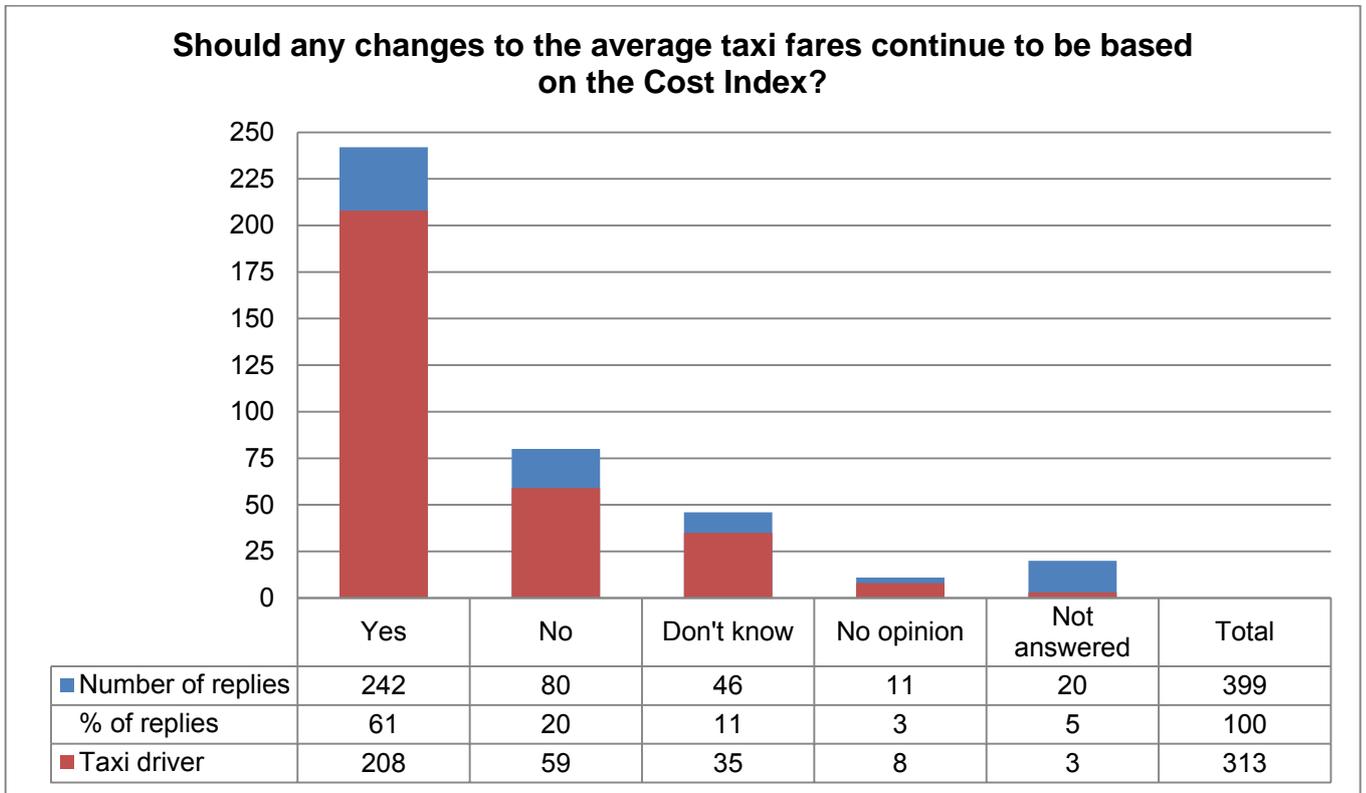
Question 14: As a taxi user, how often do you use taxis?



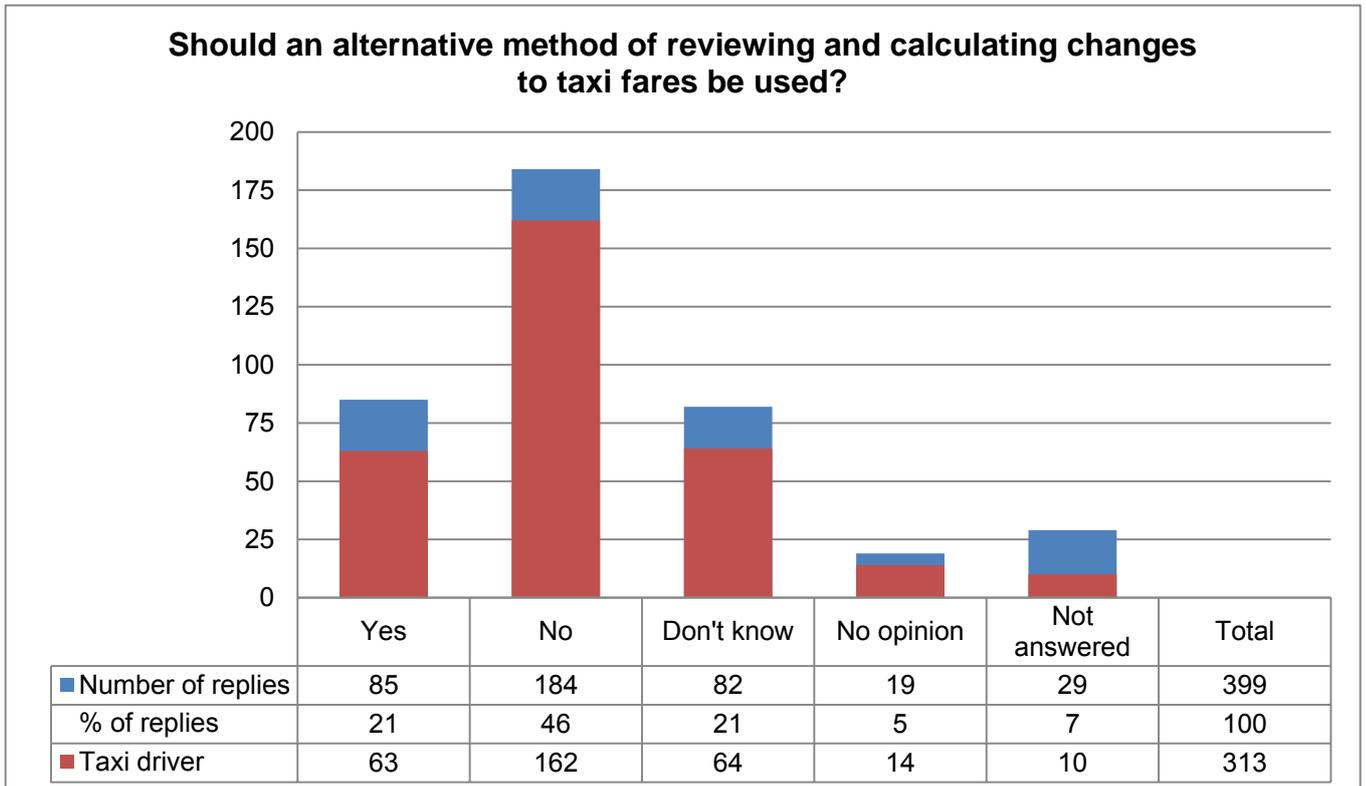
Question 15: If you have any further comments, please let us know (Open field)

All respondents

Question 16: Should any changes to the average taxi fares continue to be based on the Cost Index?



Question 17: Should an alternative method of reviewing and calculating changes to taxi fares be used?

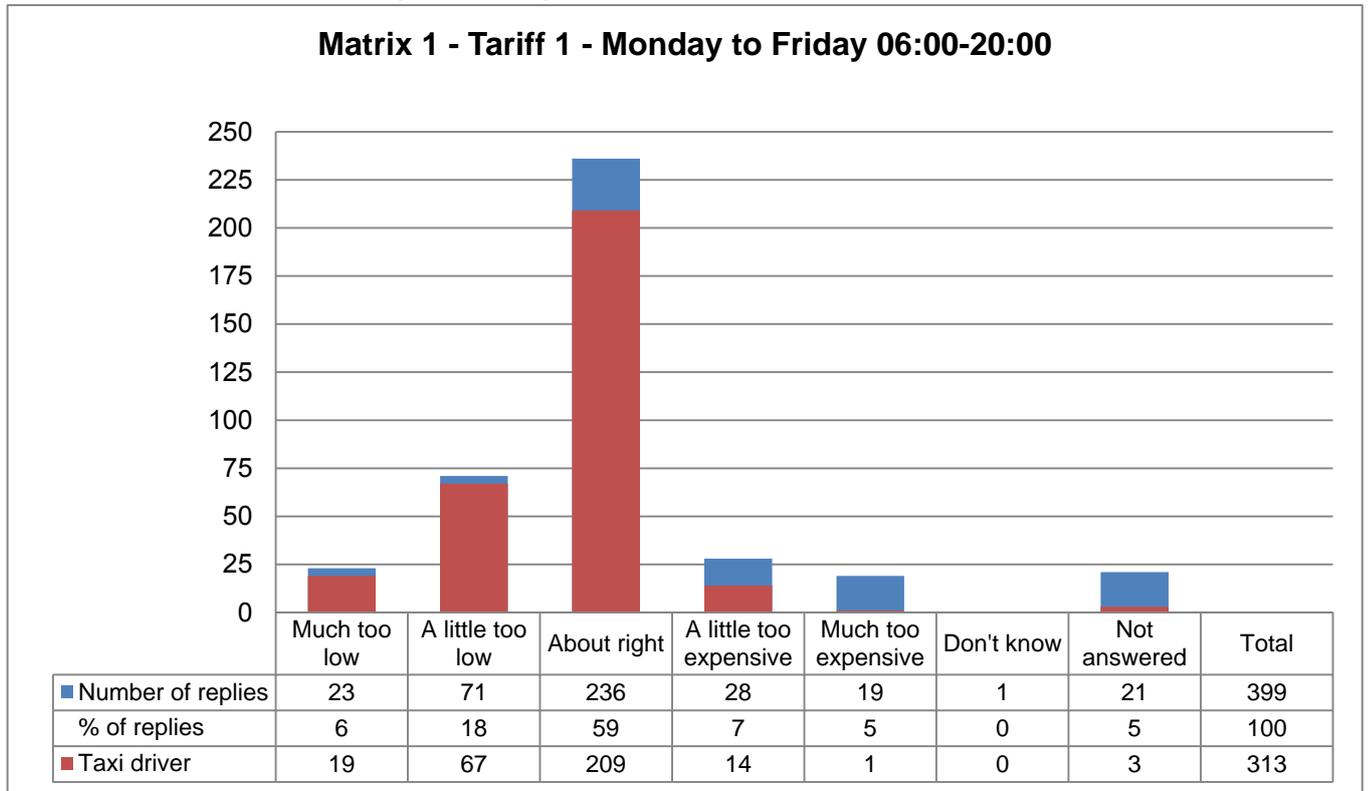


If yes, please specify an alternative method (Open field)

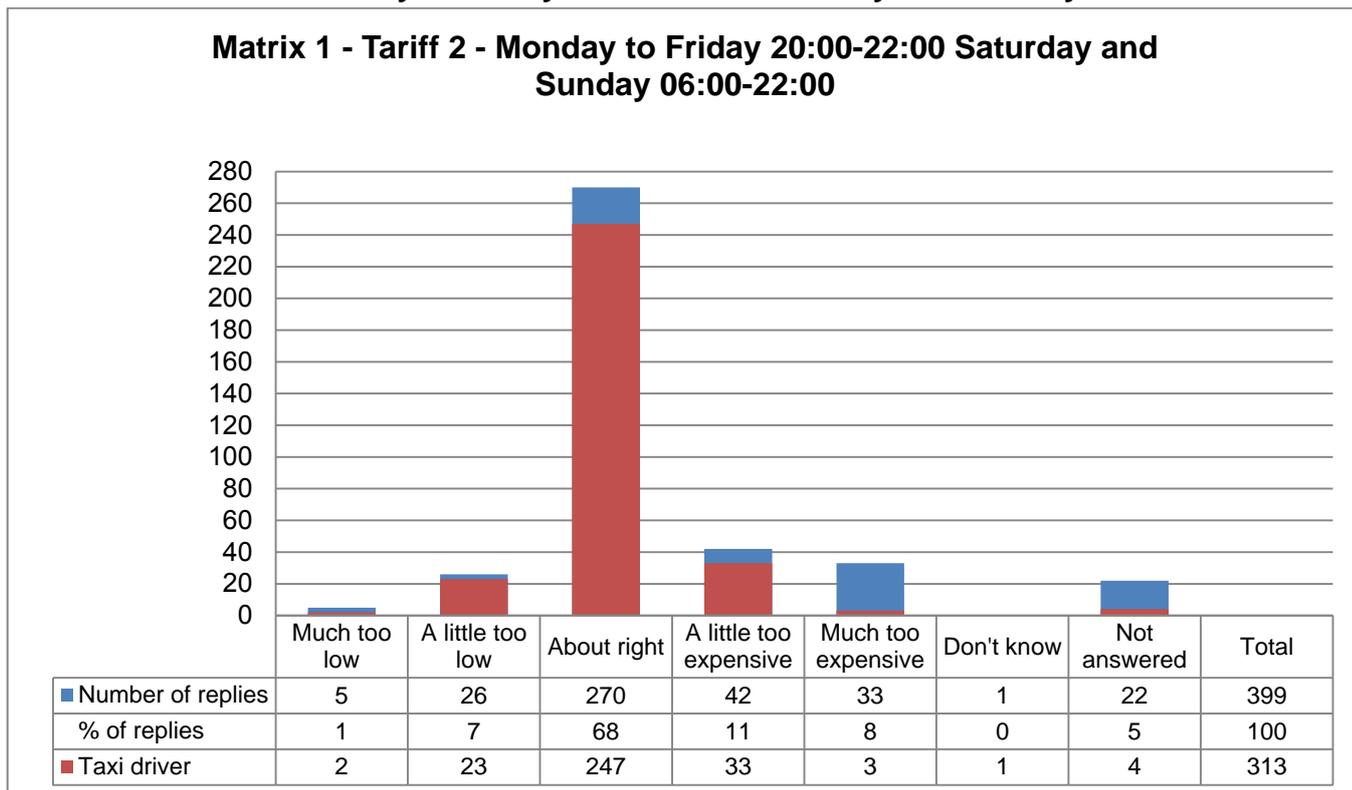
Question 18: What do you think of the current taxi tariff rates?

Respondents were asked to select an option for each of the following tariff rates:

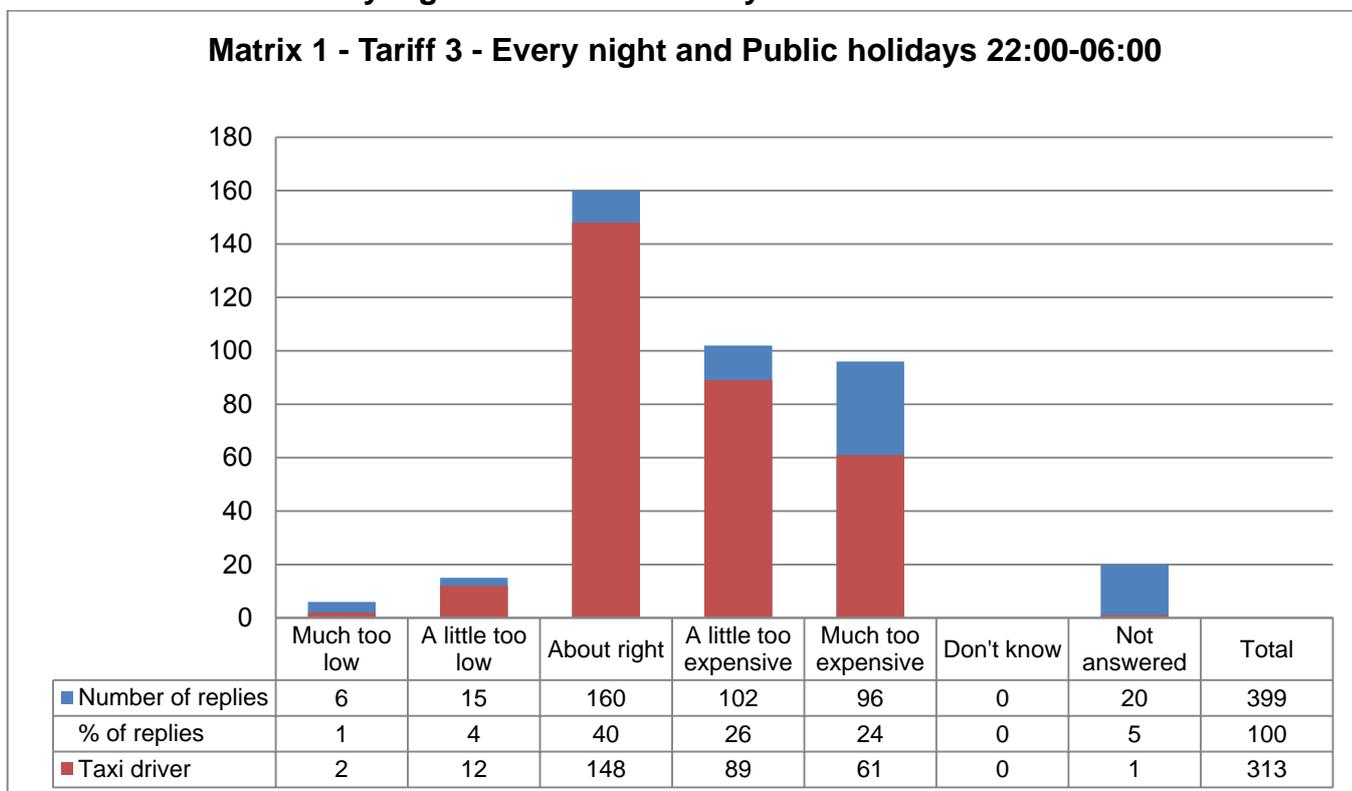
Matrix 1 - Tariff 1 - Monday to Friday 06:00-20:00



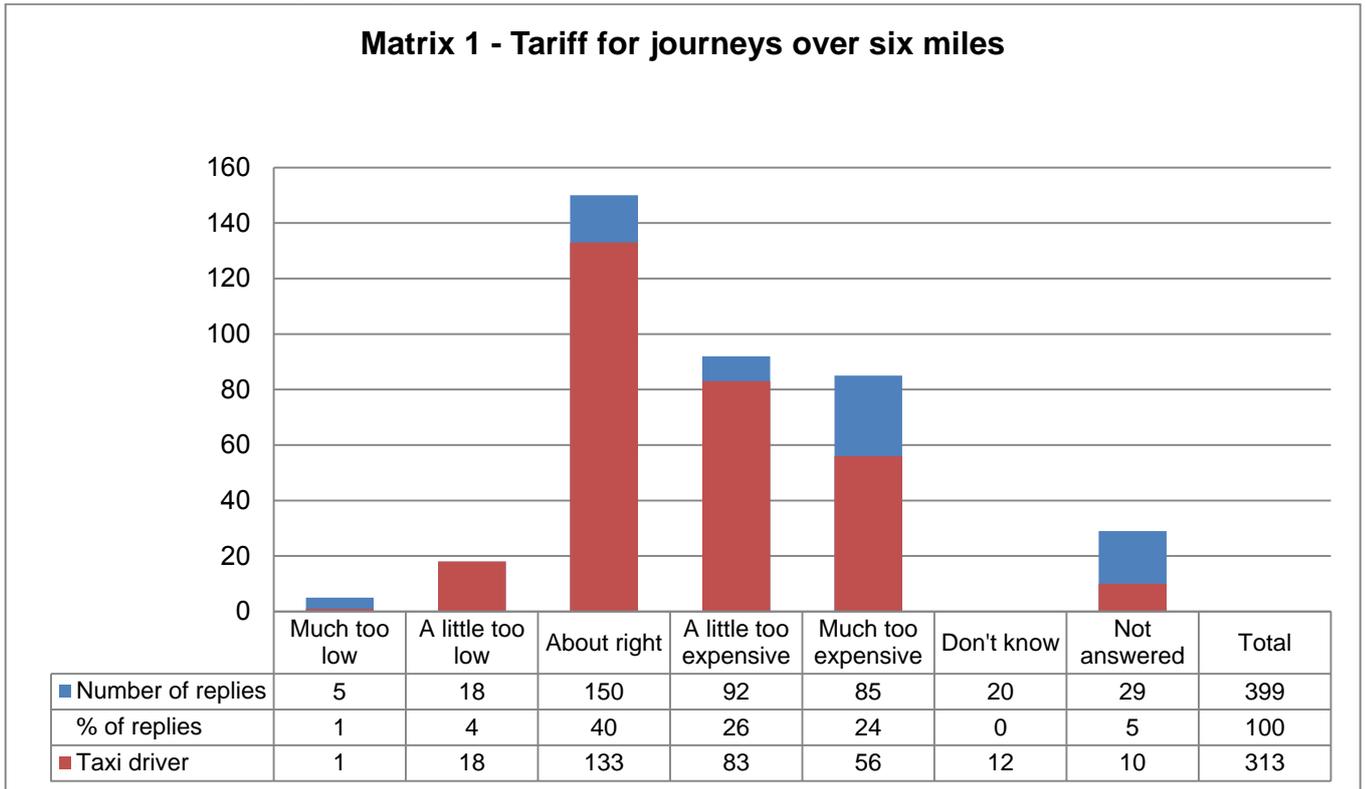
Matrix 1 - Tariff 2 - Monday to Friday 20:00-22:00 Saturday and Sunday 06:00-22:00



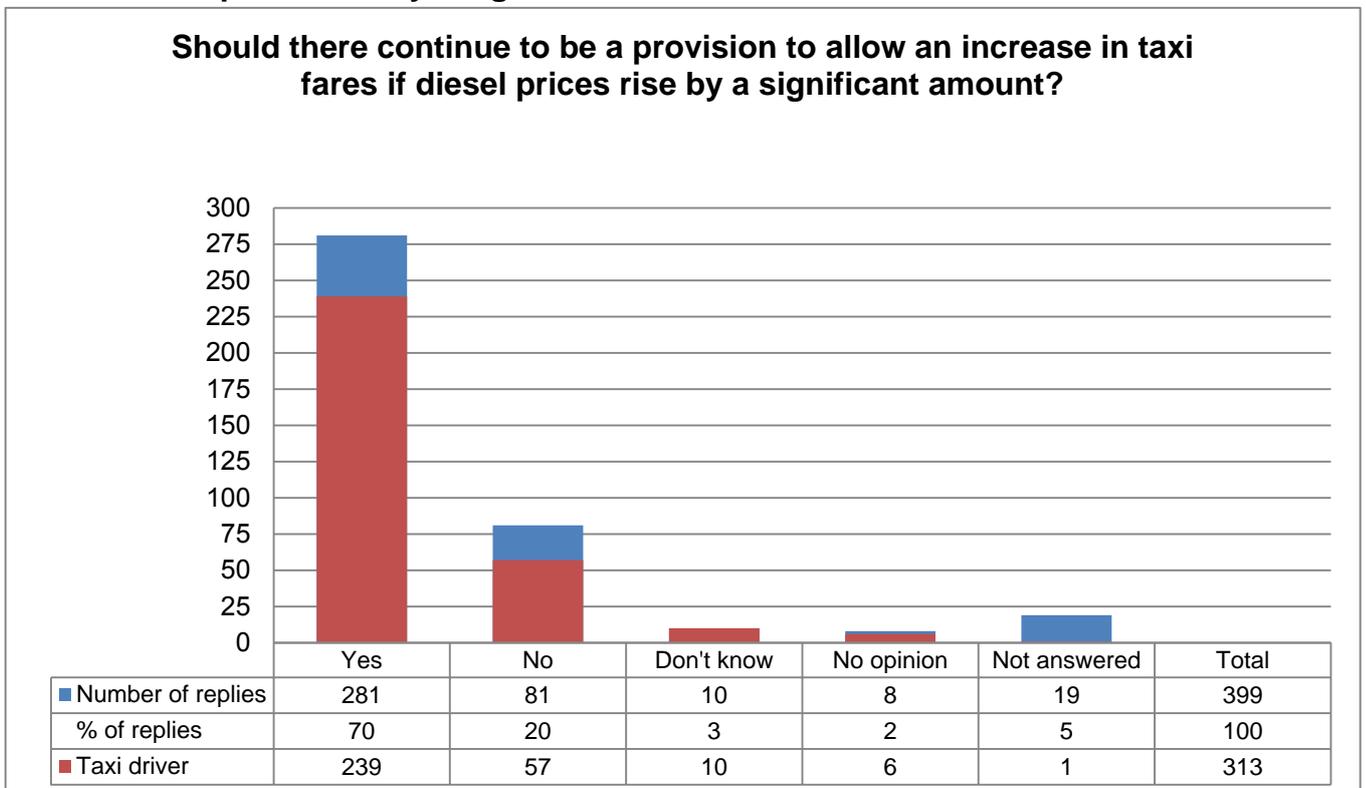
Matrix 1 - Tariff 3 - Every night and Public holidays 22:00-06:00



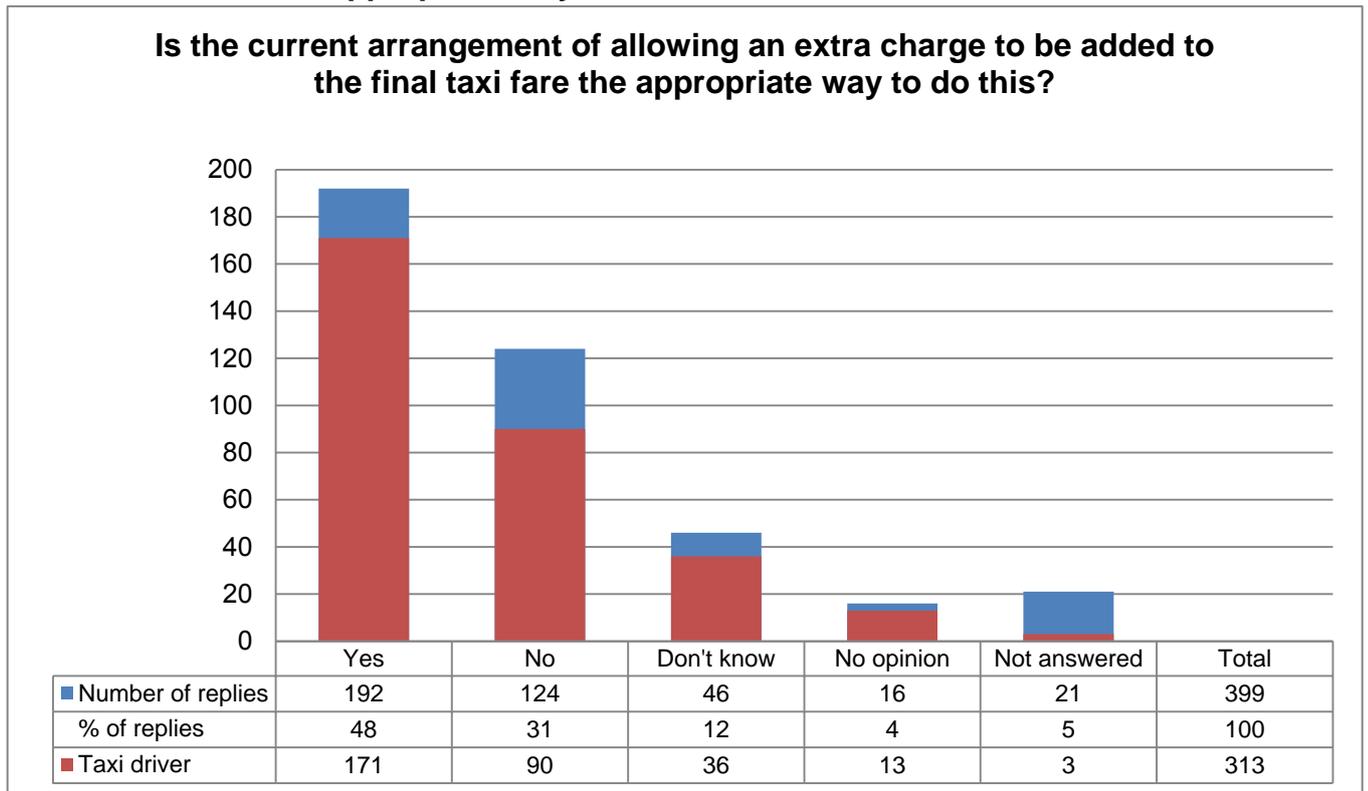
Matrix 1 - Tariff for journeys over six miles



Question 19: Should there continue to be a provision to allow an increase in taxi fares if diesel prices rise by a significant amount?

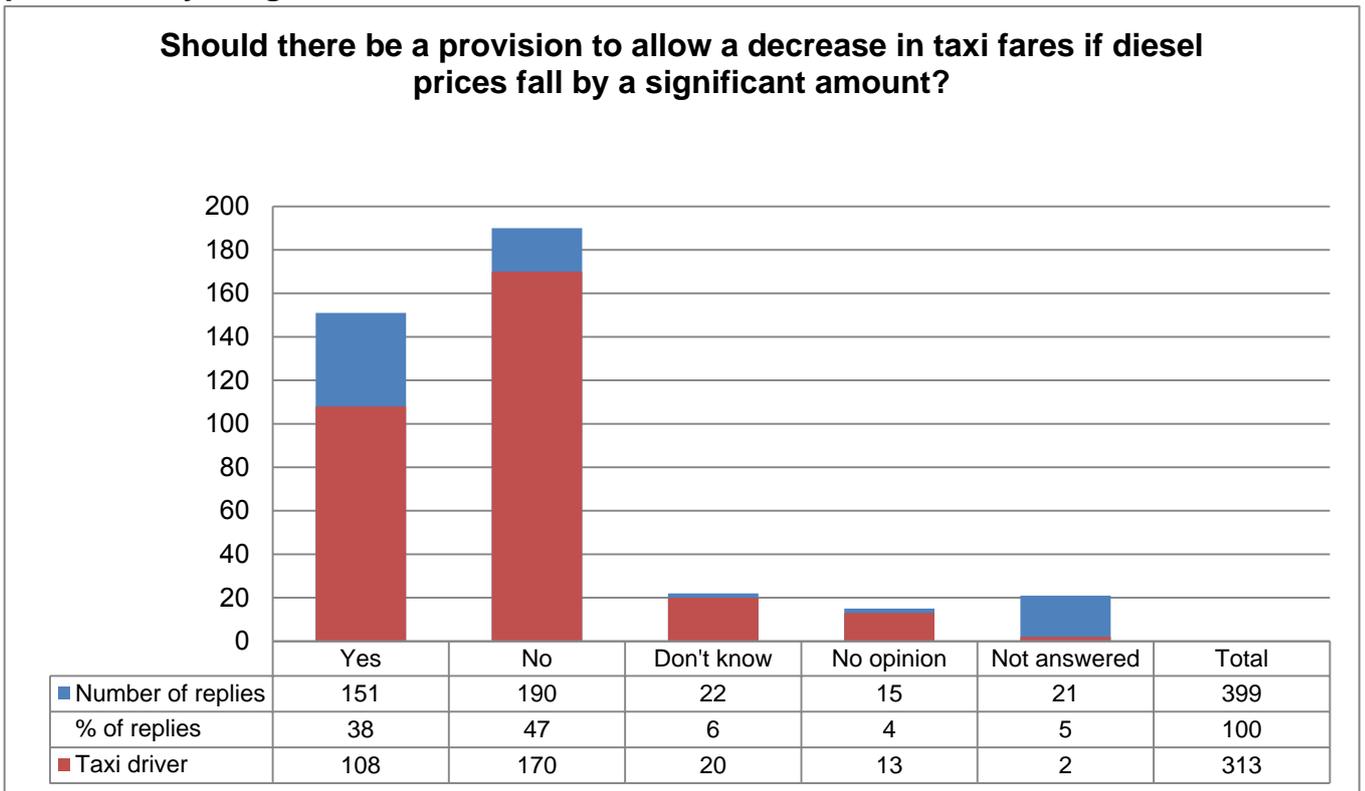


Question 20: Is the current arrangement of allowing an extra charge to be added to the final taxi fare the appropriate way to do this?

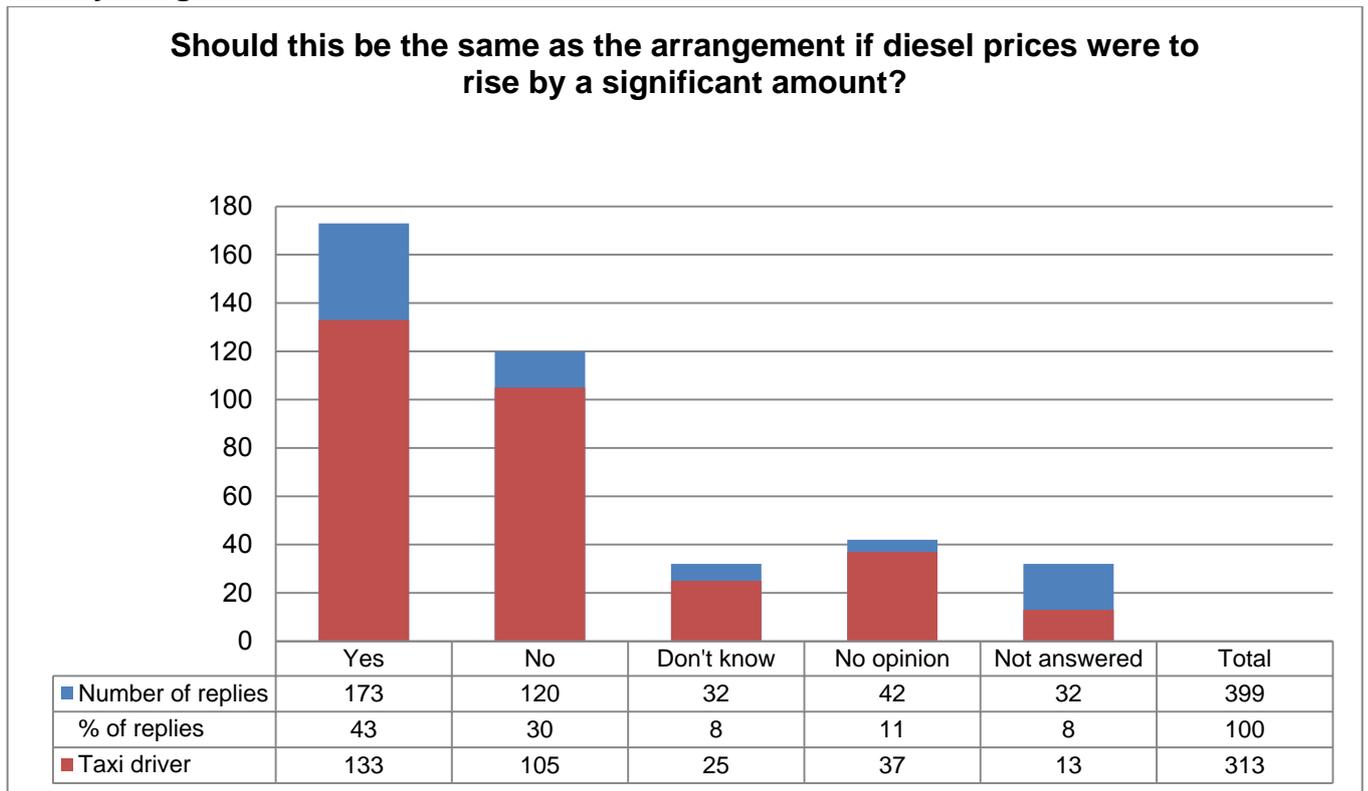


Question 21: What steps should be taken to make passengers aware of this extra charge if the threshold diesel price was exceeded? (Open field)

Question 22: Should there be a provision to allow a decrease in taxi fares if diesel prices fall by a significant amount?



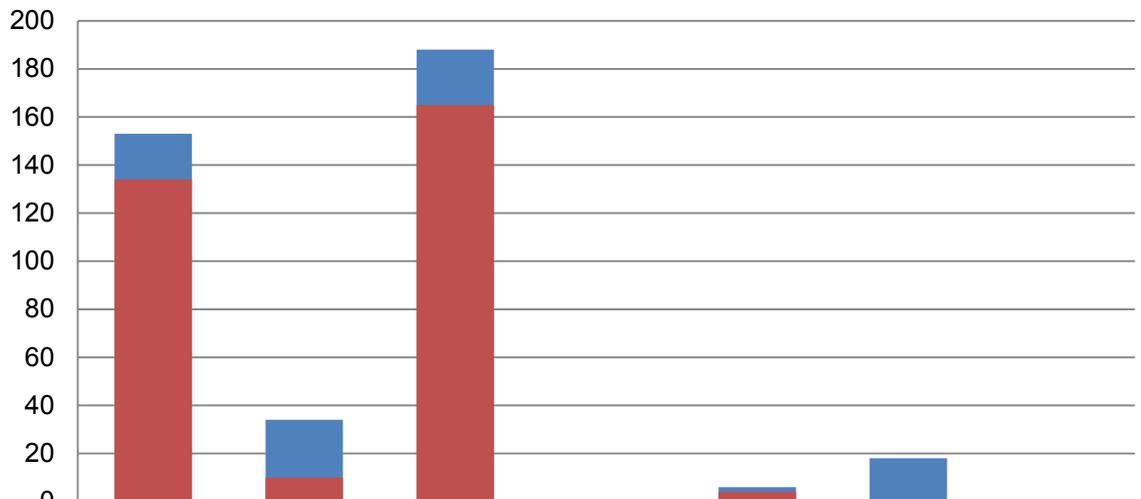
Question 23: Should this be the same as the arrangement if diesel prices were to rise by a significant amount?



If this is not an appropriate approach, please suggest an alternative

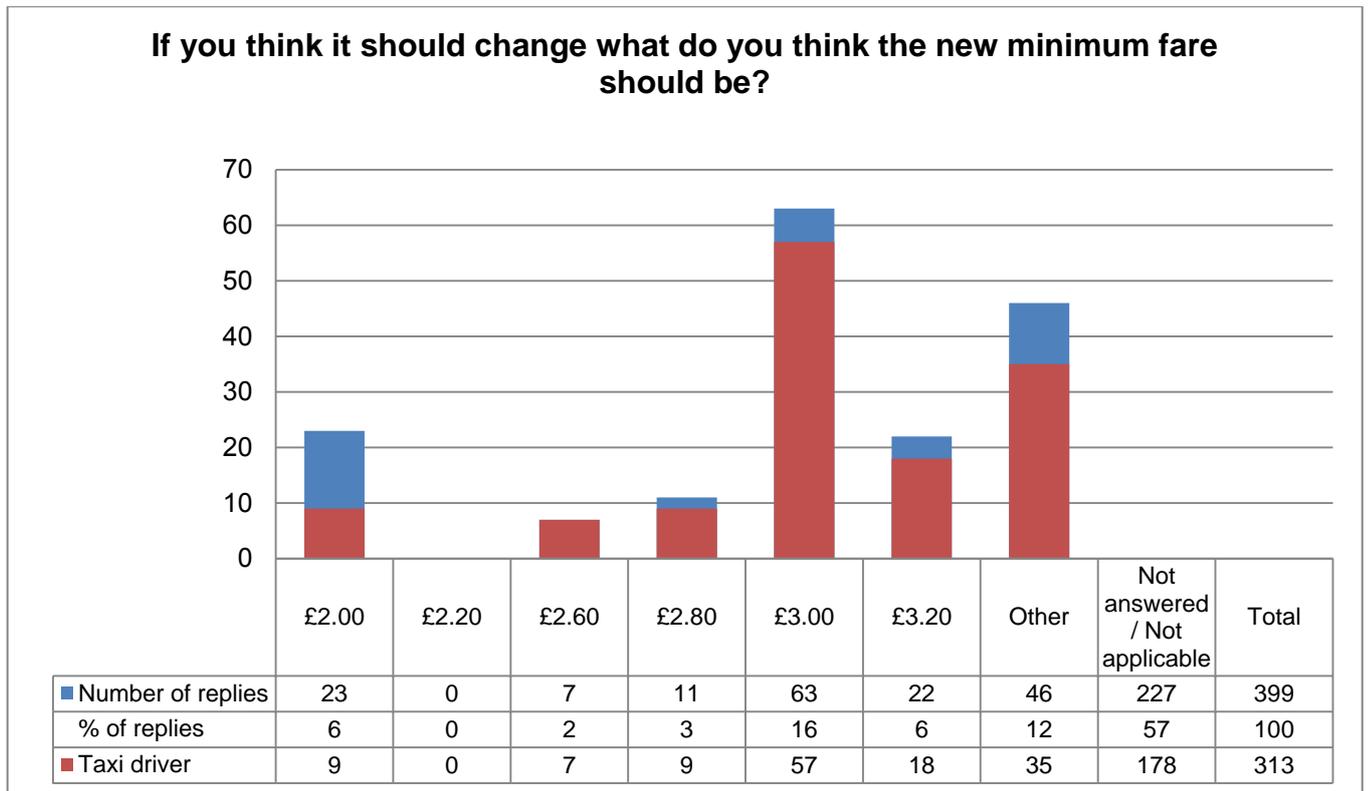
Question 24: Do you think the current minimum fare of £2.40 should change?

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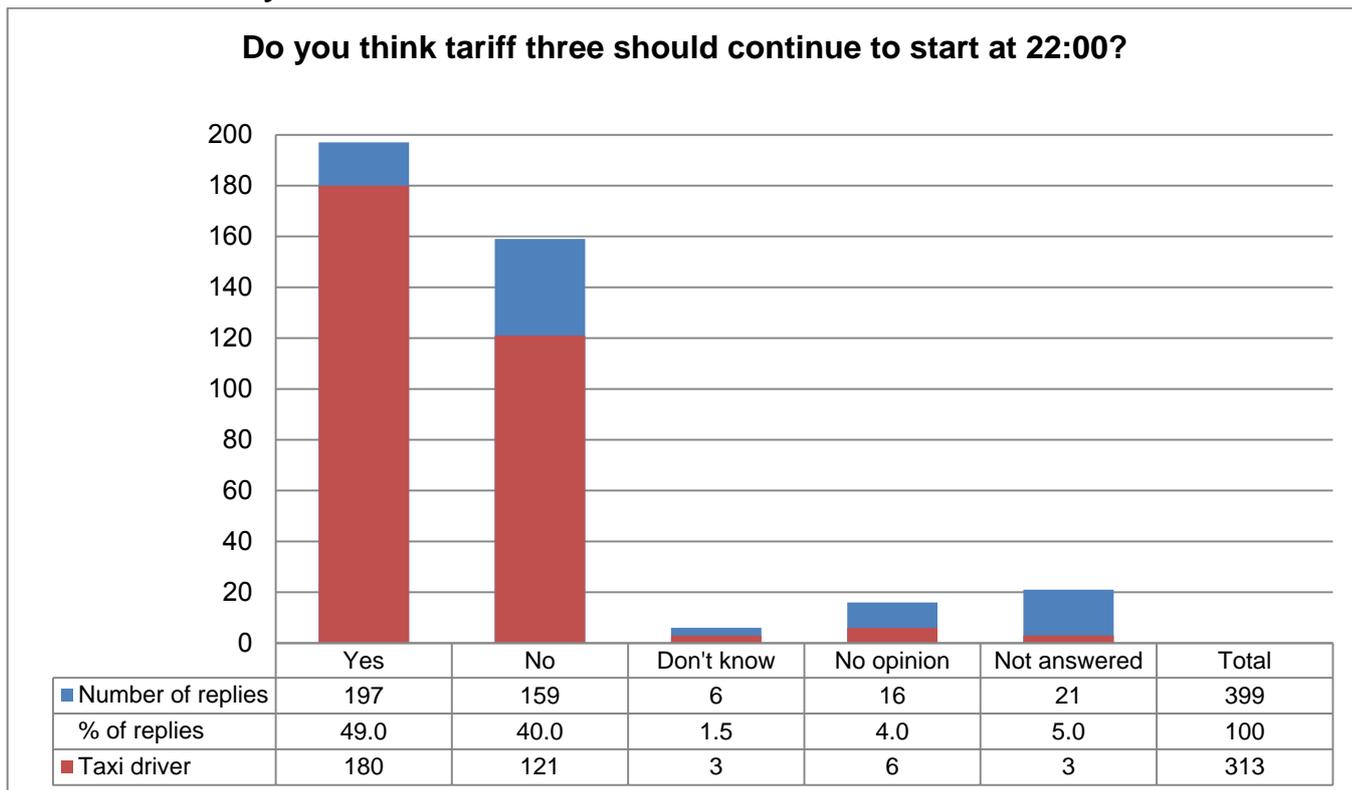


	Yes - Increased	Yes - Decreased	No	Don't know	No opinion	Not answered	Total
■ Number of replies	153	34	188	0	6	18	399
% of replies	38	9	47	0	2	5	100
■ Taxi driver	134	10	165	0	4	0	313

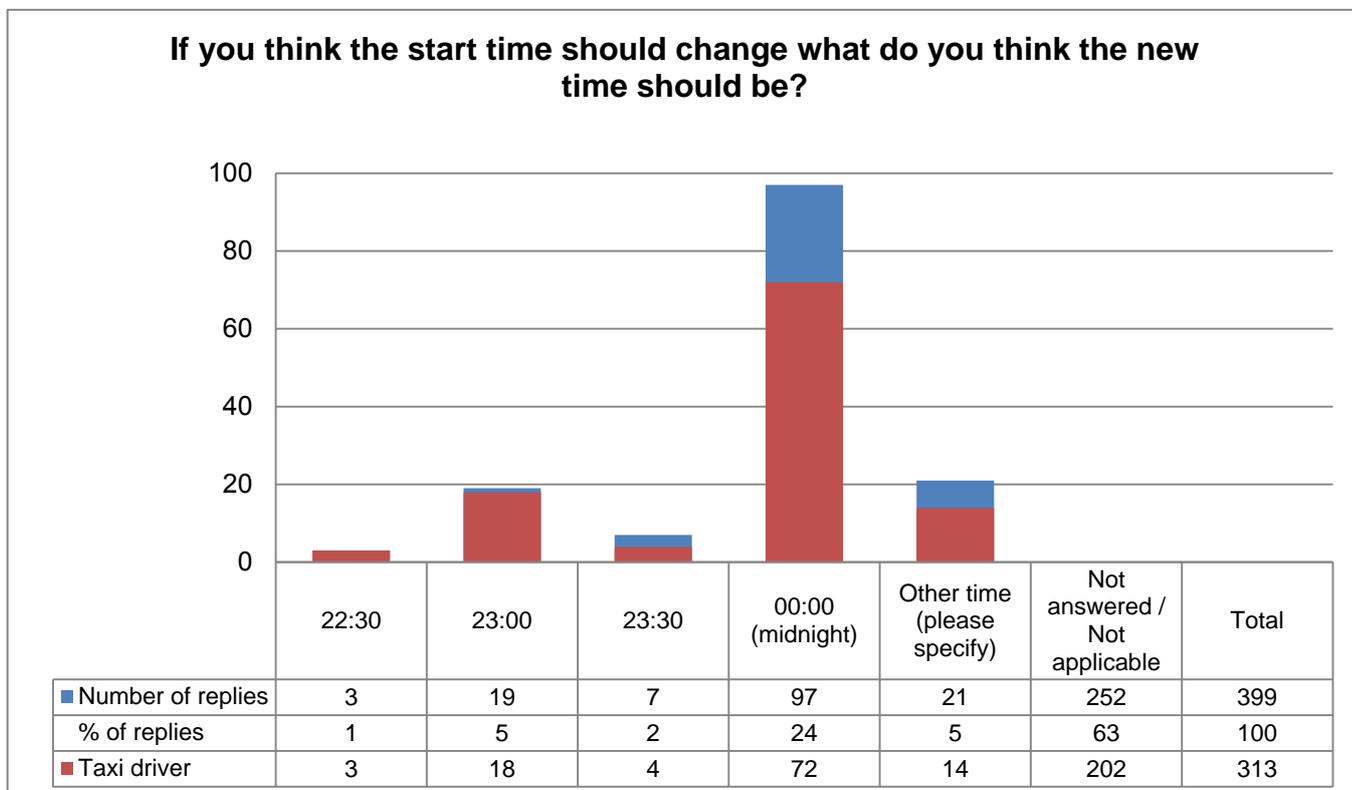
Question 25: If you think it should change what do you think the new minimum fare should be?



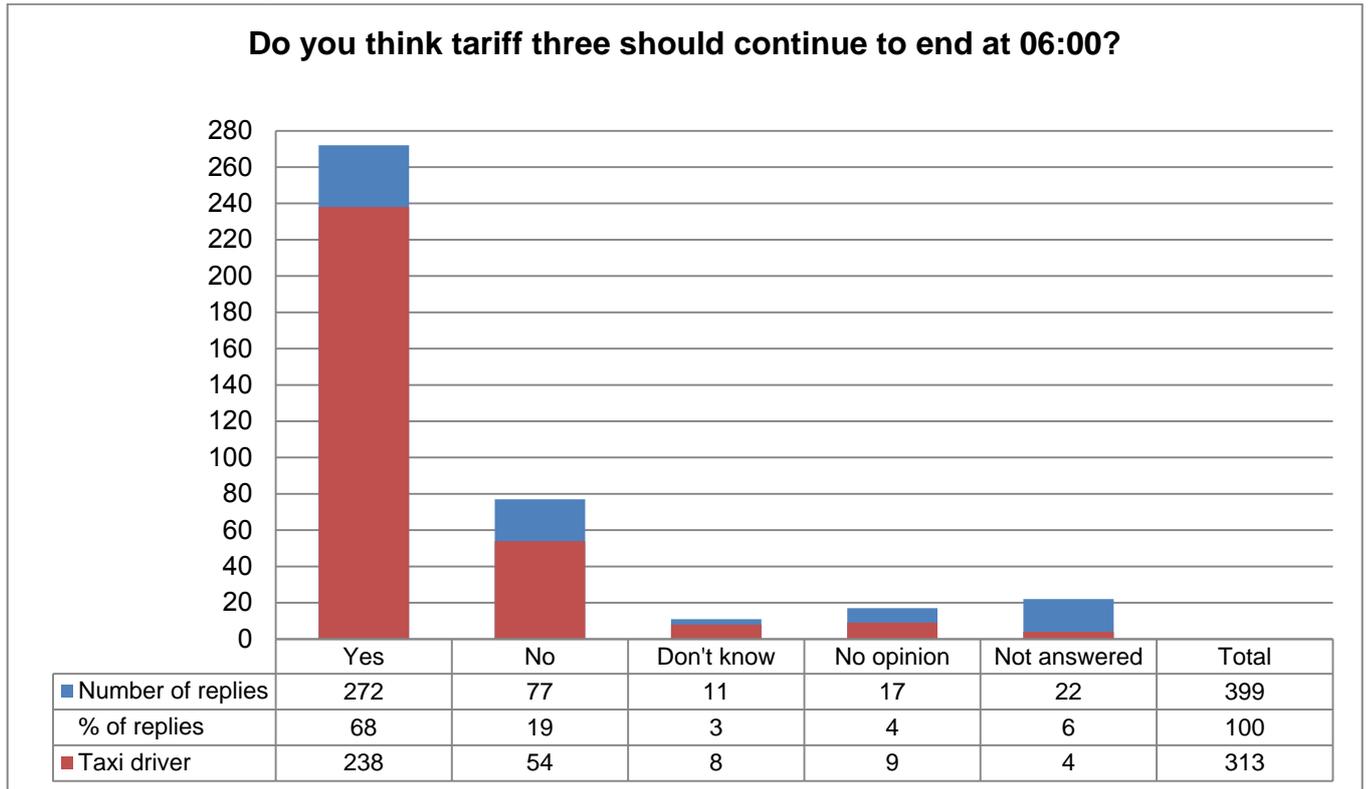
Question 26: Do you think tariff three should continue to start at 22:00?



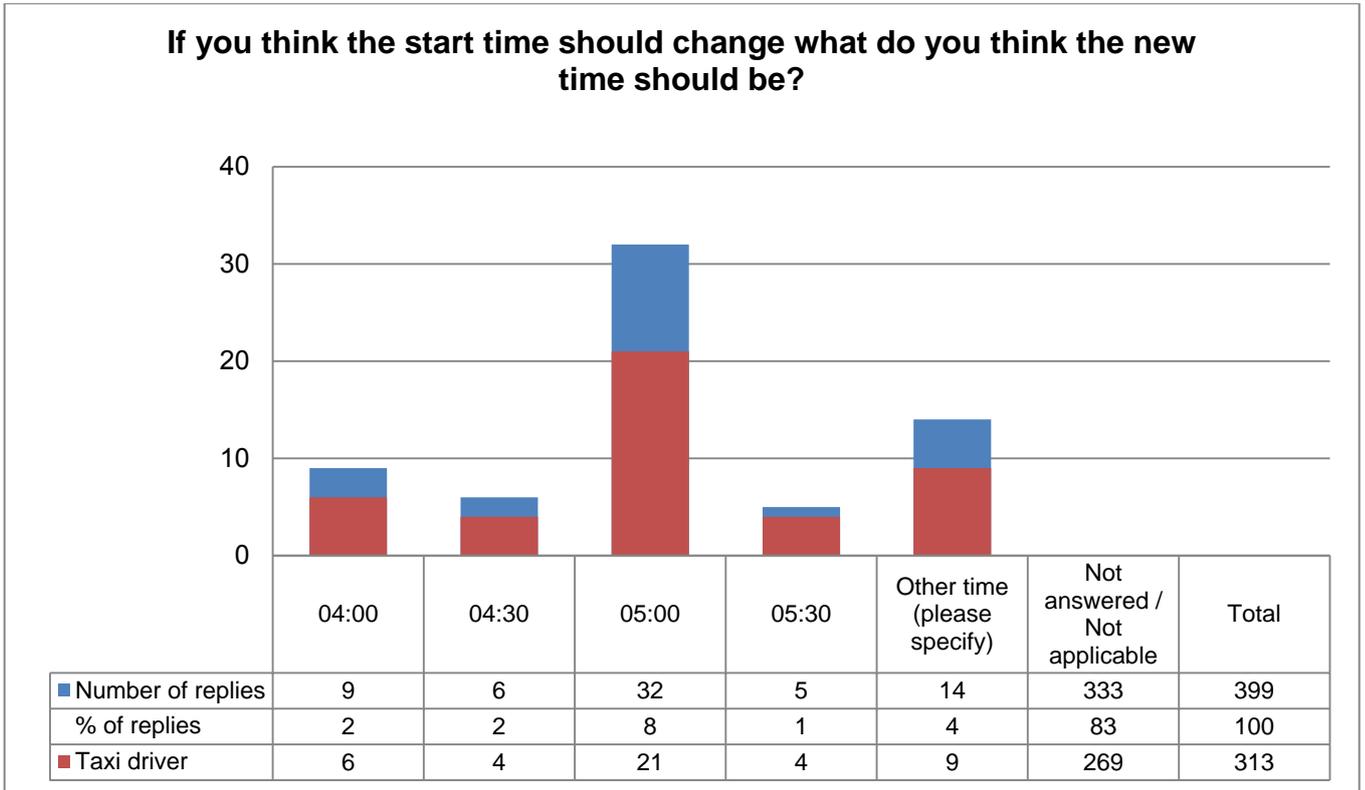
Question 27: If you think the start time should change what do you think the new time should be?



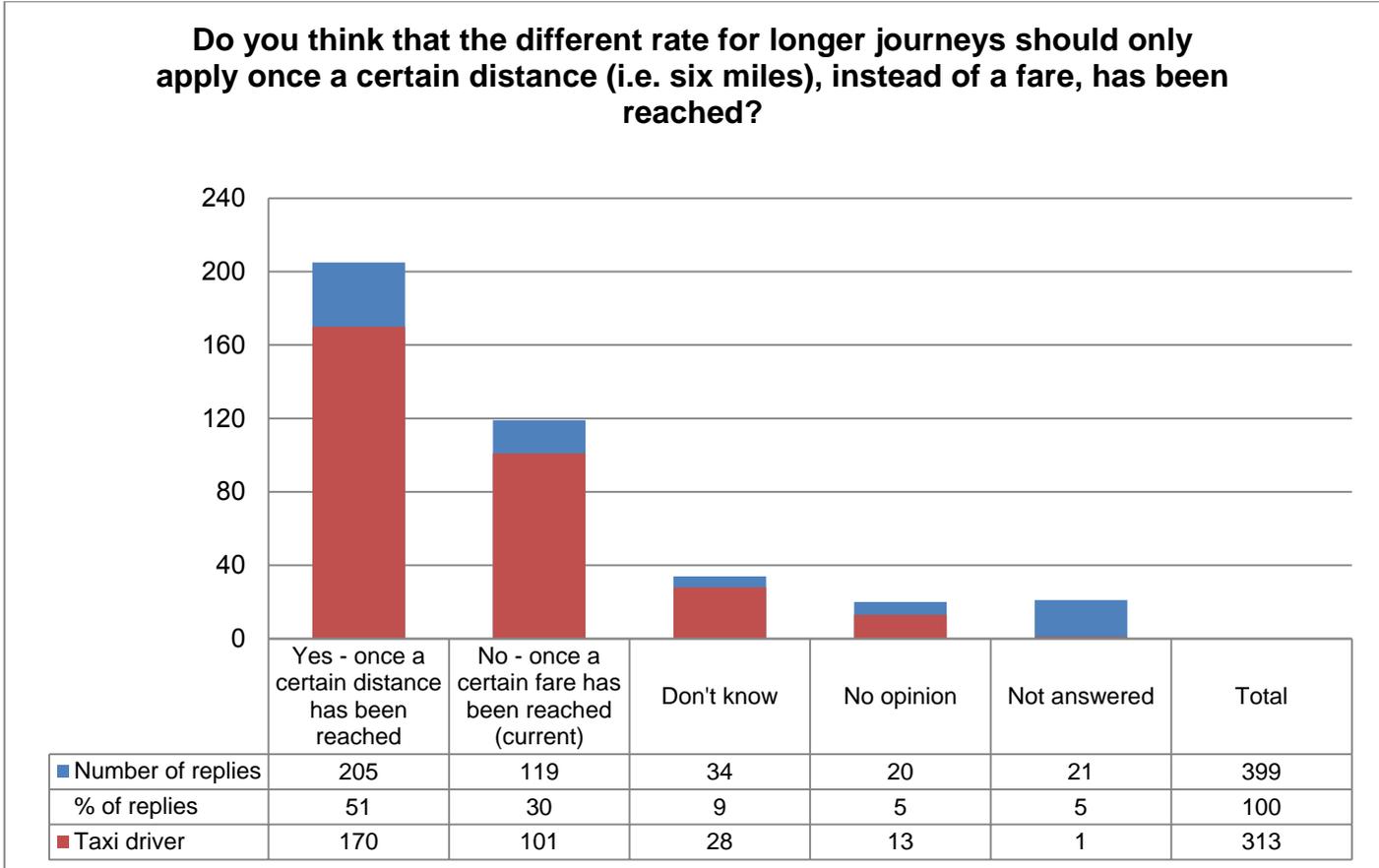
Question 28: Do you think Tariff 3 should continue to end at 06:00?



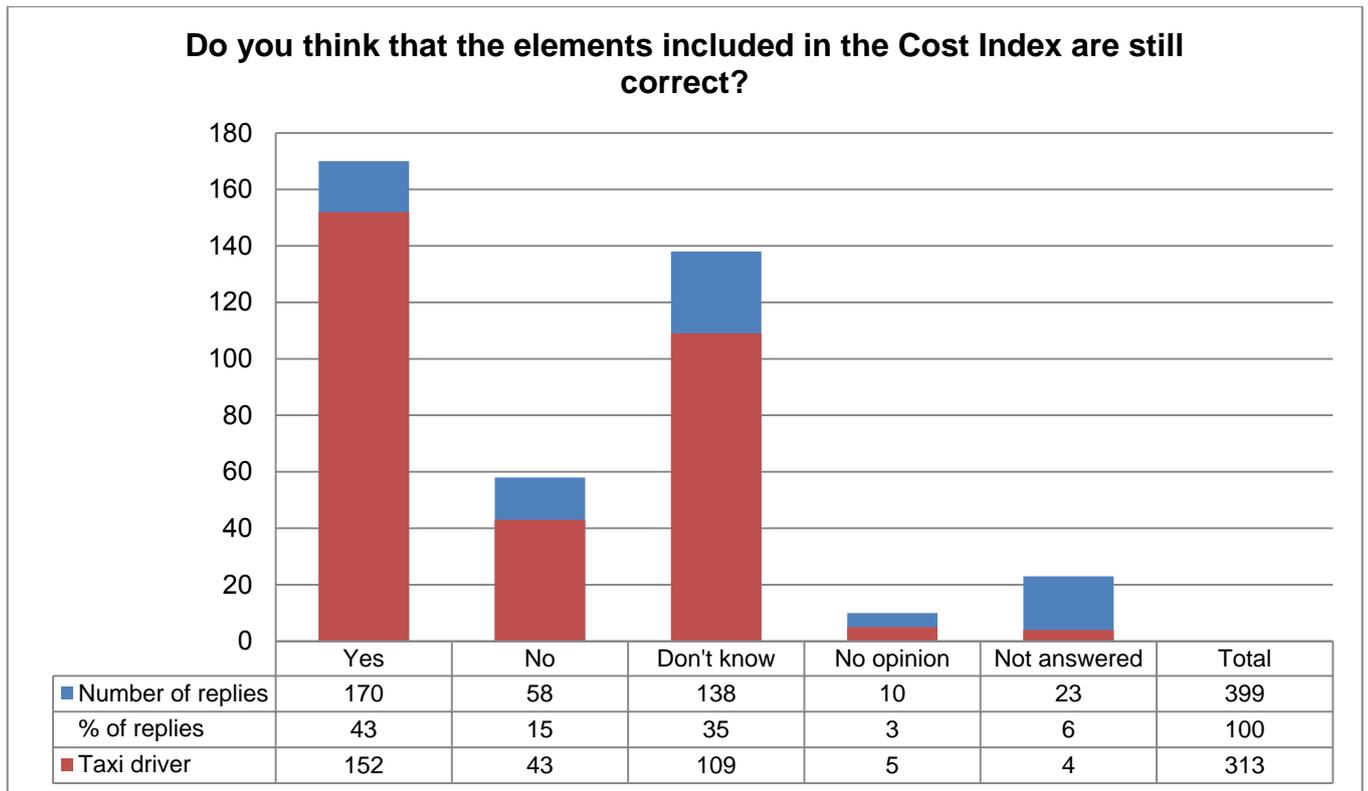
Question 29: If you think the end time should change what do you think the new time should be?



Question 30: Do you think that the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached?

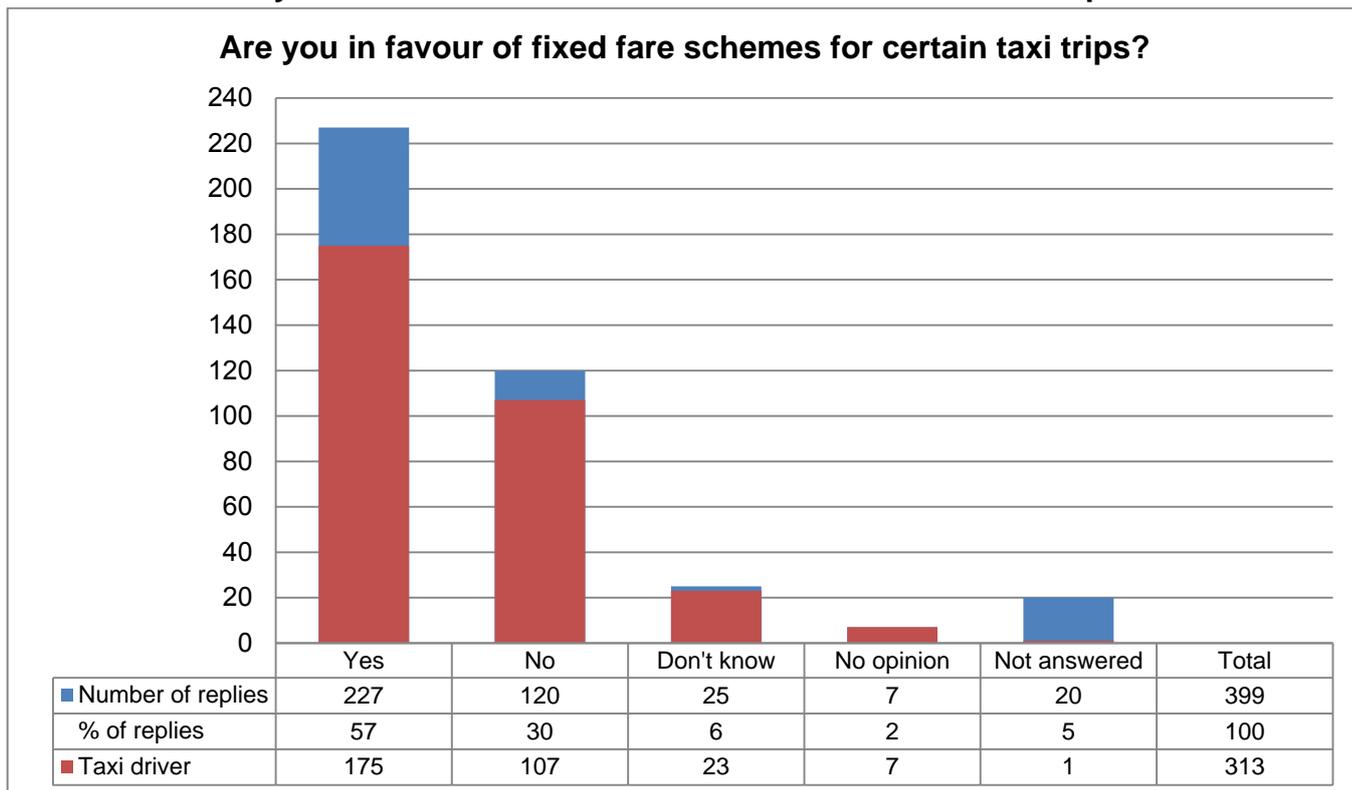


Question 31: Do you think that the elements included in the Cost Index are still correct?



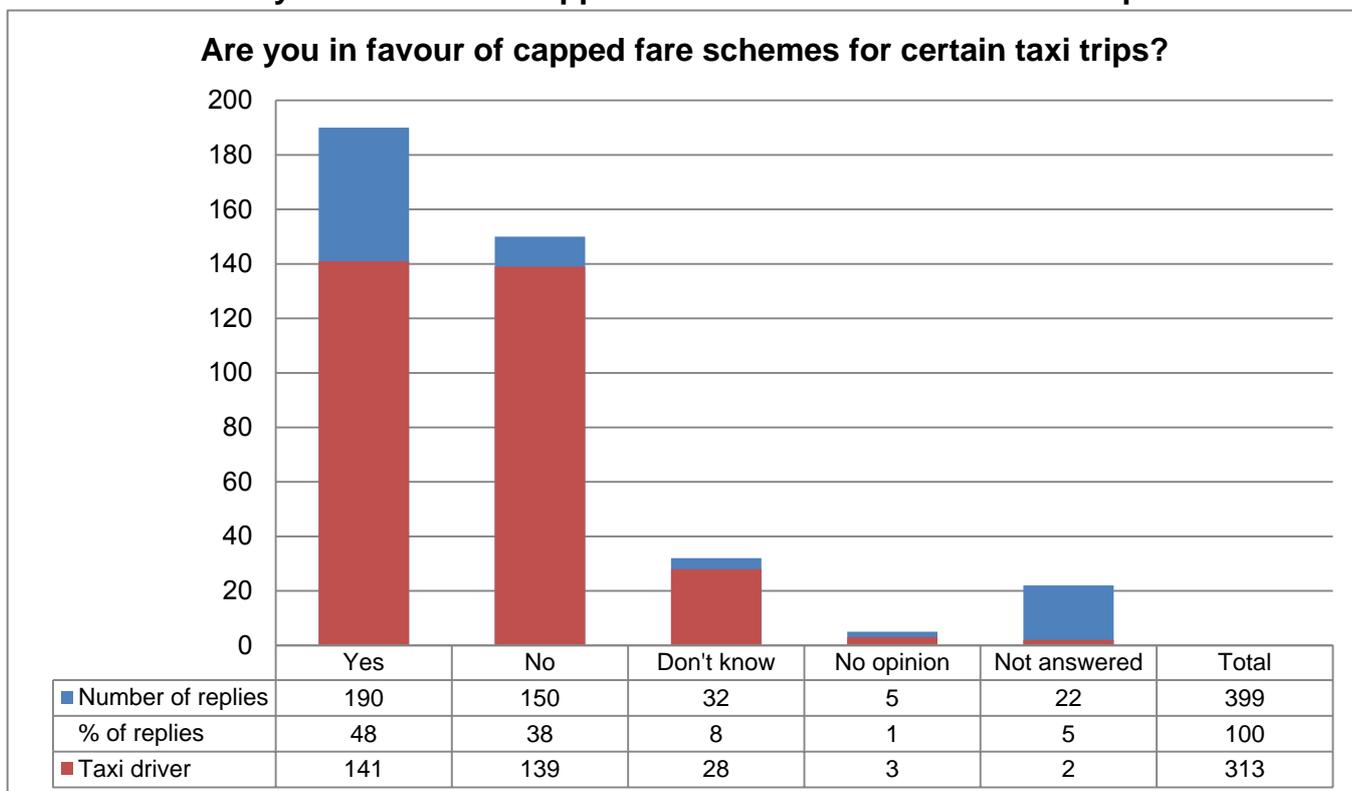
Question 32: If no, what changes do you think should be made? (Open field)

Question 33: Are you in favour of fixed fare schemes for certain taxi trips?



Question 34: If no, please tell us why(Open field)

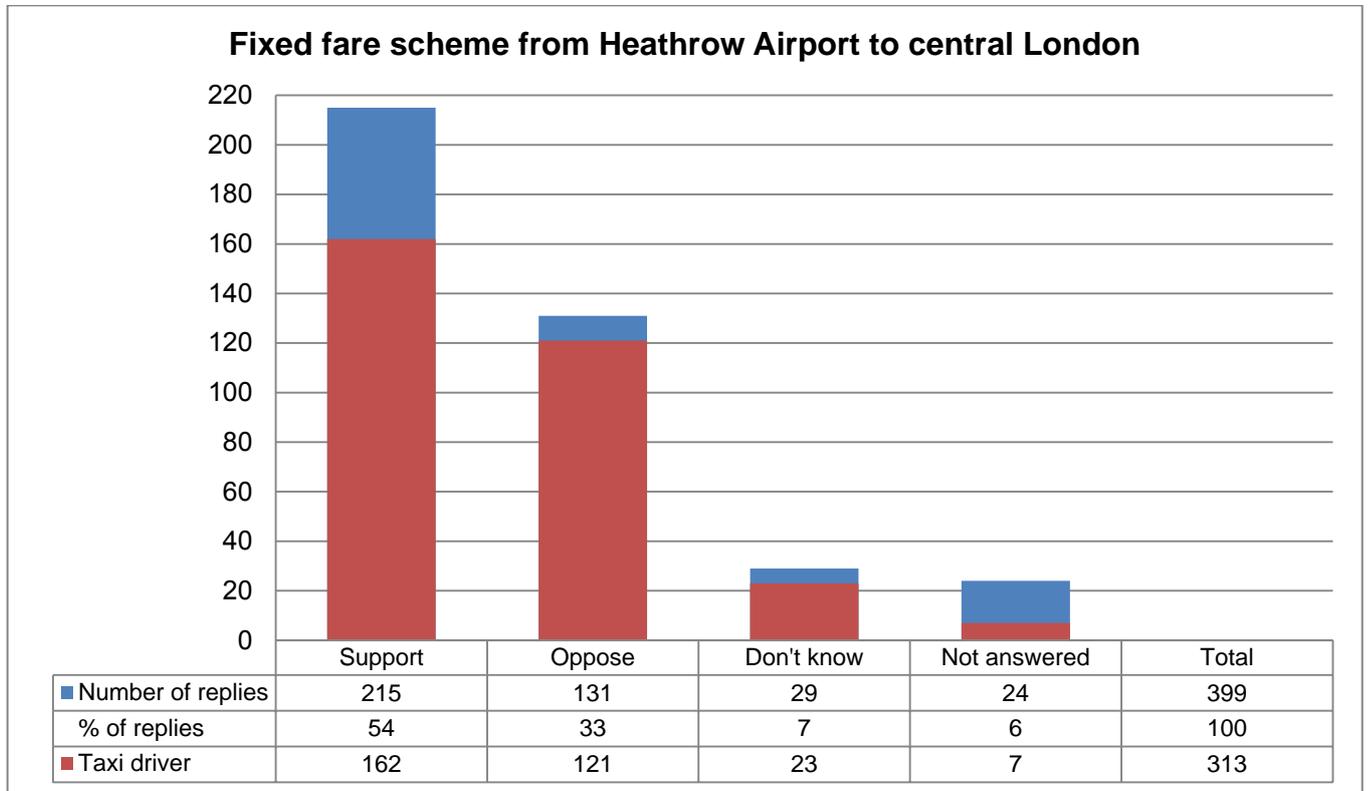
Question 35: Are you in favour of capped fare schemes for certain taxi trips?



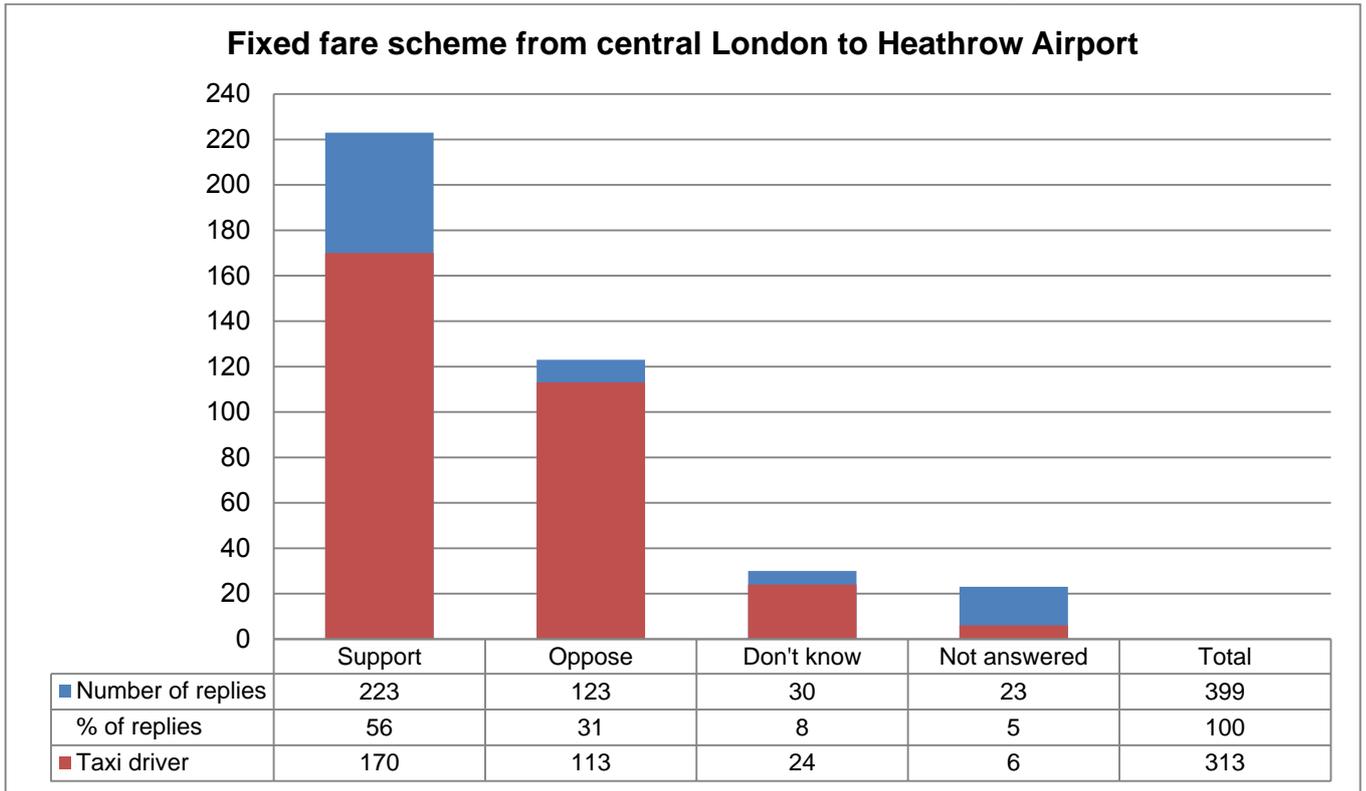
Question 36: If no, please tell us why. (Open field)

Question 37: If we were to introduce a new fixed fare or capped fare scheme then the fares for these would need to be discussed with the relevant stakeholders. However, in principle would you support or oppose the following schemes?

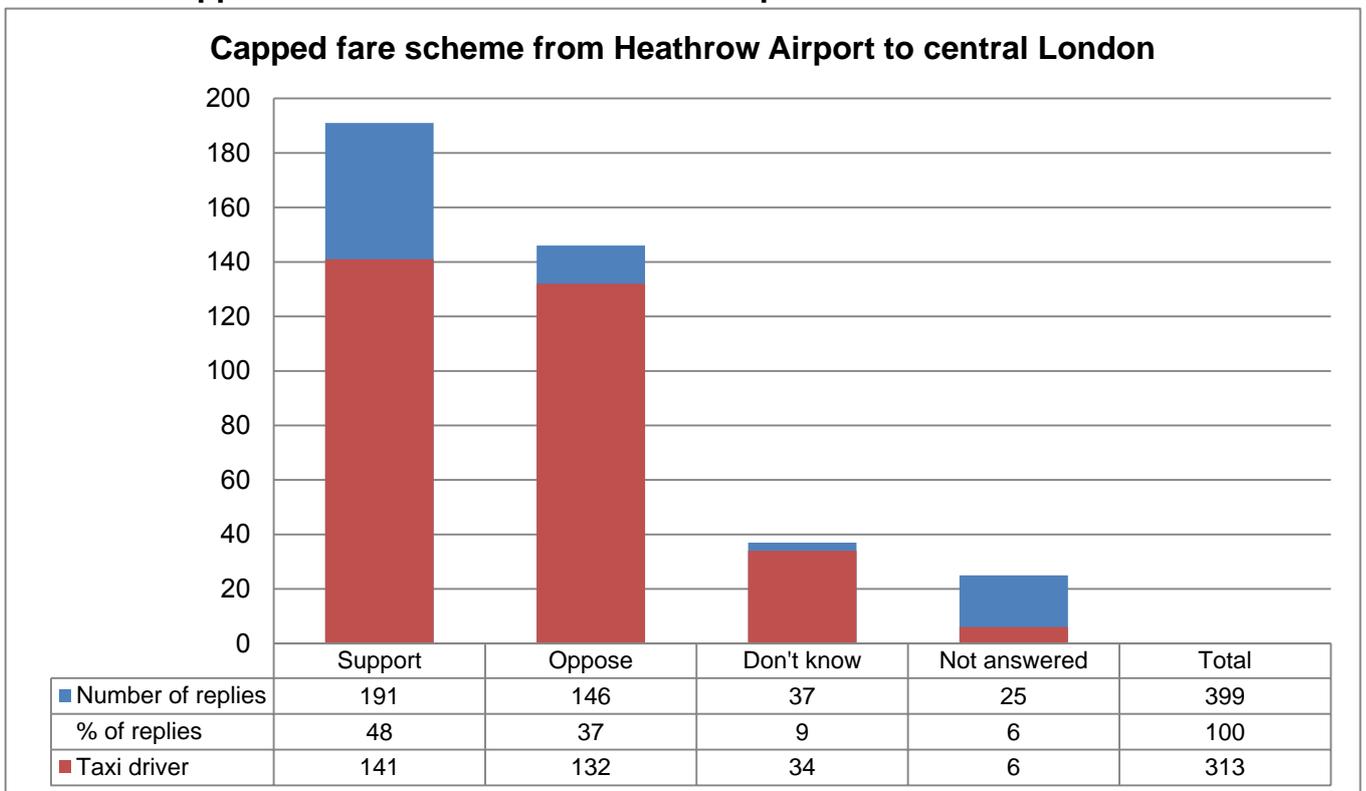
Matrix 1 - Fixed fare scheme from Heathrow Airport to central London



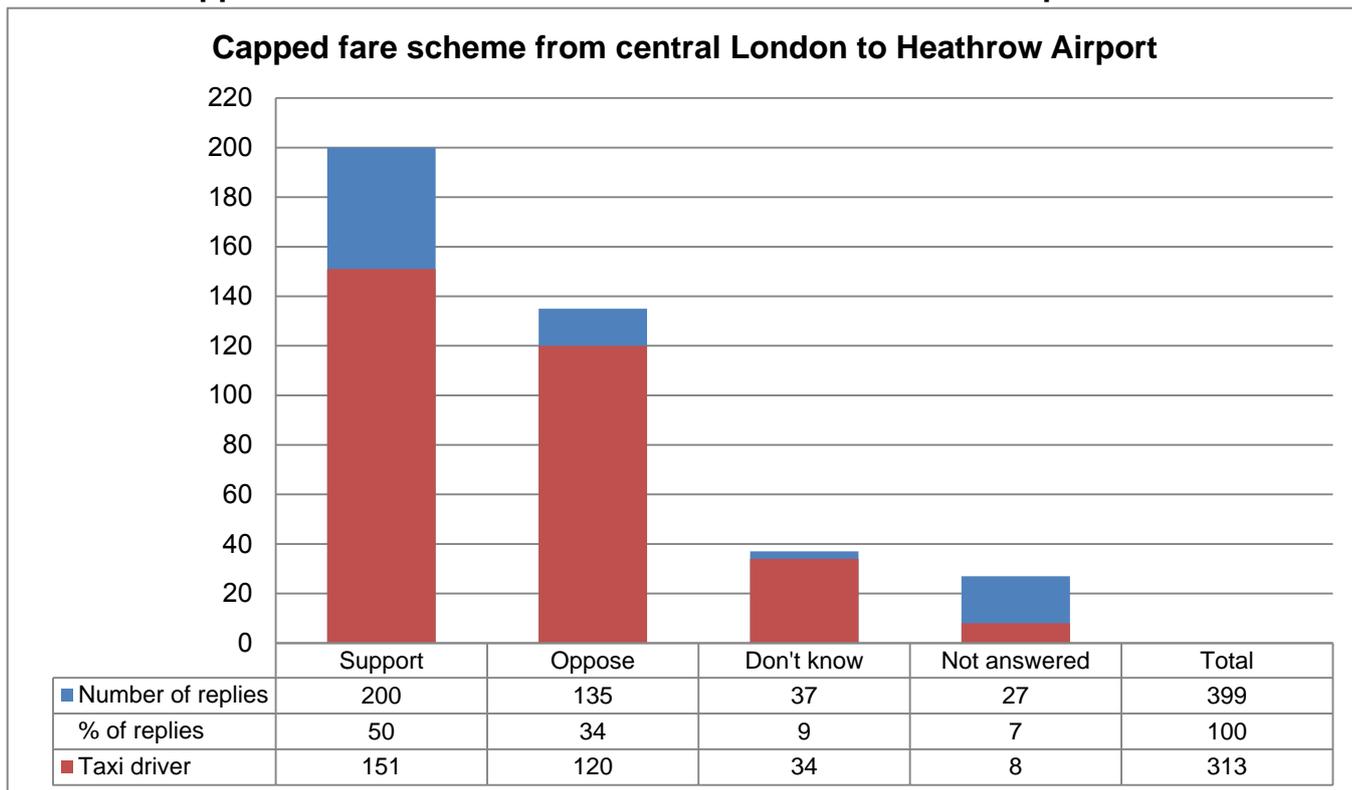
Matrix 1 - Fixed fare scheme from central London to Heathrow Airport



Matrix 1 - Capped fare scheme from Heathrow Airport to central London



Matrix 1 - Capped fare scheme from central London to Heathrow Airport



Question 38: Do you have suggestions for any fixed fare schemes? (Open field)

Question 39: Do you have suggestions for any capped fare schemes? (Open field)

4 Responses from statutory bodies and other stakeholders

The stakeholders listed in Appendix A were informed of the consultation by email and invited to respond through the online tool. 19 stakeholders responded. A summary of their responses is included below.

United Trade Group – comprising LTDA, LCDC, Unite The Union

- The tariff calculation should continue to be based on the Taxi Cost Index and it is essential that the ‘vehicle’ element of the index should reflect the actual movement in the cost of purchasing London taxis.
- It is also important that an improved method for calculating the movement of taxi insurance cost should be explored prior to the 2017 review.
- Agrees that a fuel surcharge should apply if a significant increase in fuel prices arises in 2016; but considers that the extra charge should be £0.20p, and that the threshold price should be adjusted accordingly.
- Does not oppose the principle of increasing the current minimum fare.
- Has no objection to Tariff Three ending at earlier at 05:00; but objects to any other changes to the tariff structure
- Does not agree with the suggestion that certain fares should be fixed or capped; current legislation provides for drivers to charge less than the metered fare.

Dial-a-Cab

- Changes to average taxi fares should continue to be based on the cost index
- No alternative method of reviewing and calculating changes to taxi fares should be used
- Current tariff rates: Tariff 1 is “About right”, Tariff 2 is “A little too expensive”, and Tariff 3 is “Much too expensive”. The tariff for journeys over six miles is “Much too expensive”
- Yes, there should be provision to allow for an increase in fare if diesel prices rise, and the current arrangement of allowing an extra charge to be added remains appropriate
- Recommends that this extra charge is communicated by use of an in-cab notice
- A similar provision should be in place to allow a decrease in taxi fares if diesel prices fall by a significant amount
- The current minimum fare of £2.40 should be increased from £2.40 to £5.00
- Tariff 3 should start at 00:00 (midnight) and end at 05:00
- Yes, the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached
- The elements included in the Cost Index are still correct
- Supports fixed and capped fare schemes for certain trips
- Would support fixed fares in both directions between Heathrow Airport and central London

- Would support capped fares in both directions between Heathrow Airport and central London

The Public Administration Help Tank (PAHT)

- Changes to average taxi fares should not continue to be based on the Cost Index. As an alternative, PAHT suggests separating distance and duration based fares
- Tariffs 1, 2, 3, and the tariff for journeys of over six miles are all 'Much too expensive'
- Yes, there should be provision to allow for an increase in fare if diesel prices rise
- A similar provision should be in place to allow a decrease in taxi fares if diesel prices fall by a significant amount
- The current minimum fare should be decreased from £2.40 to £2.00
- Tariff 3 start time should change
- Yes, the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached
- Does not think that the elements included in the Cost Index are still correct and recommends the model used should change from being "cost plus"
- Supports fixed and capped fares for certain trips
- Opposes fixed fares in both directions between Heathrow Airport and central London
- Would support capped fares in both directions between Heathrow Airport and central London.

London Borough of Harrow

- There should only be provision for an increase in fare if diesel prices rise, if a similar provision is put in place to allow for a reduction in fare when fuel prices decrease. However, it would be better to introduce no change linked to fuel costs, to avoid confusion for customers
- The current minimum fare should not increase as fuel prices have dropped significantly and RPI has not increased significantly.
- Changing the times when Tariff 3 applies would cause confusion to customers
- Supports the continued use of the existing Cost Index elements, as these are still appropriate
- Would not support the introduction of fixed fare or capped fare schemes, believing that the current system works well.

London Borough of Barking and Dagenham

- Would like to ensure that there is provision to ensure vulnerable people are made aware of any changes in taxi-fares to allow forward planning and budgeting. Information should be circulated widely and produced in accessible formats
- Any increase in fares may impact on councils' budgets
- Supports the proposal that fares should be able to increase and decrease in relation to significant changes in fuel cost.
- Supports the proposal for calculating and reviewing taxi charges based on the cost index.

Kippa Bid Ltd

- Supports continued use of the Cost Index to make changes to the average taxi fares

- Tariffs 1, 2, 3 and the tariff for journeys over six miles are currently “about right”
- Yes, there should be provision to allow for an increase in fare if diesel prices rise, and the current arrangement of allowing an extra charge to be added remains appropriate
- A similar provision should be in place to allow a decrease in taxi fares if diesel prices fall by a significant amount
- The minimum fare should be increased from £2.40 to £3.00
- Yes, the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached
- Does not support fixed or capped fares

MVHG Ltd (Response submitted by Peter Gibson)

- Supports continued use of the Cost Index to make changes to the average taxi fares.
- Tariff 1 is currently about right, Tariff 2 is a “little too expensive”, and Tariffs 3 and for journeys for over six miles are both “Much too expensive”
- The regular fare and tariff review should be the mechanism to amend fares and tariffs in the event of any significant increase or decrease in fuel costs.
- The minimum fare should be increased from £2.40 to £5.00
- Tariff 3 should be changed to start at 00:00 (midnight) and end at 04.00
- Yes, the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached
- Supports the continued use of the existing Cost Index elements, as these are still appropriate
- Supports fixed and capped fares for certain trips
- Supports fixed fares but is opposed to capped fares in both directions between central London and Heathrow
- Capped fares could cause confusion to occasional customers

MVHG Ltd (Response submitted by Tim Payton)

- Supports continued use of the Cost Index to make changes to the average taxi fares.
- Tariff 1 is currently about right, Tariff 2 is a “little too expensive”, and Tariffs 3 and for journeys for over six miles are both “Much too expensive”
- Yes, there should be provision to allow for an increase in fare if diesel prices rise
- A similar provision should be in place to allow a decrease in taxi fares if diesel prices fall by a significant amount
- The minimum fare should be increased from £2.40
- Tariff 3 should be changed to start at 00:00 (midnight) but should still end at 06.00
- Yes, the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached
- Supports the continued use of the existing Cost Index elements, as these are still appropriate
- Supports fixed and capped fares for certain trips
- Supports fixed fares but is opposed to Capped fares in both directions between central London and Heathrow

Gett

- Tariffs 1 and 2 are “about right”, however Tariff 3 is “a little too expensive”
- The tariff for journeys over six miles is “much too expensive”
- There should not be continued provision to allow for an increase in fare if diesel prices rise. Gett also opposes the idea of a reciprocal arrangement in the event of a decrease in fuel costs. Gett feels that this negatively affects the consumer by increasing price uncertainty, and highlight the potential impact of new ultra low emissions vehicles to reduce the impact that changing diesel prices have on drivers.
- The minimum fare should remain £2.40
- Tariff 3 should start at 00:00 and end at 05:00
- The different rate for longer journeys should only apply once a certain distance has been reached
- Supports fixed and capped fares for certain trips, but believes fixed fares offer a more satisfactory option
- Supports fixed fares in both directions between Heathrow Airport and central London
- Supports capped fares in both directions between Heathrow Airport and central London
- Fixed fares are good for the consumer and the taxi trade, reducing price uncertainty and combating the perception that black cabs are "too expensive" for longer journeys. Gett welcomes any move by TfL to support this.

Digitax London

- Changes to average taxi fares should continue to be based on the cost index
- No alternative method of reviewing and calculating changes to taxi fares should be used
- Tariffs 1,2,3, and the tariff for journeys over six miles are “about right”.
- The current provision for allowing an increase in taxi fares if diesel prices rise significantly should continue, and allowing an extra charge to be added to the final fare is appropriate
- Any extra charge added to the fare for a significant rise in diesel costs should be noted on the fare chart.
- There should not be a provision to allow a decrease in taxi fares if diesel prices fall by a significant amount.
- There should not be a reciprocal provision to allow a decrease in taxi fares should diesel prices fall, but if this is taken up, the mechanism should be the same as the arrangement for an increase
- The minimum fare should remain £2.40
- Tariff 3 should continue to start at 22:00 and end at 06:00
- The different rate for longer journeys should continue to apply once a certain fare has been reached
- The Cost Index elements remain correct
- Supports fixed fares for certain trips, but has no opinion on capped fares

- Supports fixed and capped fares schemes between Heathrow Airport and Central London in both directions

Heathrow Airport Taxi Drivers United (HATDU)

- Changes to average taxi fares should continue to be based on the cost index
- No alternative method of reviewing and calculating changes to taxi fares should be used
- Tariffs 1 and 2 are “about right”, however Tariff 3 is “a little too expensive”
- The tariff for journeys over six miles is “about right”
- The current provision for allowing an increase in taxi fares if diesel prices rise significantly should continue, but any increase should be metered in the same way as at Tariff changes.
- Any extra charge added to the fare for a significant rise in diesel costs should be displayed on an in-cab sticker.
- There should not be a reciprocal provision to allow a decrease in taxi fares should diesel prices fall. The mechanism should be the same as the arrangement for an increase
- HATDU notes that drivers have not recouped the overnight fuel increases in previous years, and a significant decrease in fuel costs would potentially compensate drivers
- The minimum fare should remain £2.40
- Tariff 3 should start at 23:00 and end at 04:00
- The different rate for longer journeys should continue to apply once a certain fare has been reached
- The Cost Index elements remain correct
- Supports fixed and capped fare schemes generally but it should be the taxi driver’s choice to charge less than the metered fare
- Opposes fixed fares from Heathrow Airport to central London, but supports fixed fares from central London to Heathrow Airport
- Supports capped fares from Heathrow Airport to central London, but opposes capped fares from central London to Heathrow Airport

Justine Greening MP, Putney, Roehampton and Southfields

- Broad support for the proposed changes to taxi fares and tariffs in London
- Highlights problems with the distribution of taxis available and the lack of provision for ranks in the Putney area, particularly Queen Mary’s Hospital

London Borough of Brent

- Brent is not opposed to use of the cost index to calculate the average cost of providing taxi services in London.
- Agrees with the principle of a flat rate surcharge in times when fuel prices are high, minimising the exposure of taxi drivers to costs outside of their control, such as fuel.
- Supports a reciprocal provision for a flat rate discount when fuel prices are low.
- Both these surcharges should be regulated by defined triggers and only applied in relevant circumstances to make the process objective.

- Opposes any increase in the minimum taxi fare. This will disproportionately affect passengers who are travelling a short distance but are unable to travel by alternative means, and will disproportionately impact the disabled
- The comparison of minimum fares in London with other cities does not reflect the fact that journeys in London are more likely to be shorter
- The hours of operation for Tariff 3 should be reduced
- The tariff rate for journeys over six miles should only apply when a certain distance has been reached
- The current Cost Index elements remain correct
- In principle, Brent agrees that capped fares for trips between Heathrow Airport and central London are preferable to the current system, and capped fares are a suitable compromise between regular fares and fixed fares.
- Expresses concern about how “central London” is defined for the purpose of fixed or capped fares.
- Would also support capped fare schemes to other ports of entry (e.g. Gatwick Airport travelling to Central London)

London Councils - Services section (Taxicard)

- Tariff 1 is “about right”, but tariffs 2 and 3, and the tariff for journeys longer than six miles are both “a little too expensive”
- Any extra charge added to the fare for a significant rise in diesel costs should be advertised on the TfL website, and drivers should notify customers at the start of the journey. Provision should be made allow a decrease in taxi fares if diesel prices fall by a significant amount
- The minimum fare should remain £2.40
- Tariff 3 should start at 00:00 (midnight) and end at 06:00
- The different rate for longer journeys should only apply once a certain distance has been reached
- Supports fixed fare schemes for certain taxi trips
- Supports fixed fares schemes between Heathrow Airport and central London in both directions

London TravelWatch

- Changes to average taxi fares should continue to be based on the cost index
- Tariffs 1, 2, 3 and the tariff for journeys longer than six miles are all “a little too expensive”
- There should not be continued provision to allow for an increase in fare if diesel prices rise
- Should an extra charge be introduced due to an increase in fuel prices, a marketing campaign would be required to inform customers. Passengers should also be informed by the taxi driver before they commence their journey
- A reciprocal arrangement to allow for a reduction in fare in the event of a reduction in fuel prices should be put in place
- Tariff 3 should continue to start at 22:00 and end at 06:00
- The different rate for longer journeys should only apply once a certain distance has been reached

- Supports fixed fare and capped fare schemes; and in both directions between central London and Heathrow Airport
- Investigate possibility of fixed or capped fare schemes from central London to specific travel zone

RE (Capita / London Borough of Barnet Joint Venture)

- Supports continued use of the Cost Index to make changes to the average taxi fares
- Tariffs 1 and 2 are “about right” however Tariffs 3 and the tariff for journeys over six miles are “a little too expensive”
- There should be continued provision to allow for an increase in fare if diesel prices rise. An extra charge added to the final fare remains appropriate
- Should an extra charge be introduced due to an increase in fuel prices, this should be publicised locally and nationally
- A reciprocal arrangement to allow for a reduction in fare in the event of a reduction in fuel prices should be put in place
- The minimum fare should remain £2.40
- Tariff 3 should continue to start at 22:00 and end at 06:00
- The different rate for longer journeys should apply once a certain distance has been reached
- The existing Cost Index elements remain appropriate, as these are still appropriate
- Supports fixed fares and capped fare schemes for certain taxi trips.
- Supports fixed and capped fare schemes between Heathrow Airport and central London in both directions

Victoria Borwick MP, Kensington and Chelsea

- An annual review based on the Cost Index may not be the most appropriate way to decide the fare and tariff rates in future. Use of further technology to offer a more flexible approach to fare setting should be considered
- Tariff 1 is “about right”, Tariff 2 is a “little too expensive” and Tariff 3 is “much too expensive”

Equality and Human Rights Commission (EHRC)

- As the review focuses on fares and fare escalator/market price mechanisms, rather than, for example, measures to make taxis more accessible, EHRC consider this area to be outside its remit.

Addison Lee

- No comments

Appendix A – List of stakeholders consulted

Elected Members	
Darren Johnson AM	London Assembly Member
Gareth Bacon AM	London Assembly Member
Jenny Jones AM	London Assembly Member
Murad Qureshi AM	London Assembly Member
Nicky Gavron AM	London Assembly Member
Richard Tracey AM	London Assembly Member
Valerie Shawcross AM	London Assembly Member
John Biggs AM	London Assembly Member
Richard Tracey AM	London Assembly Member
Valerie Shawcross AM	London Assembly Member
Caroline Pidgeon AM	London Assembly Member
Roger Evans AM	London Assembly Member
Richard Tracey AM	London Assembly Member
Valerie Shawcross AM	London Assembly Member
Claire Hamilton AM	London Assembly Member
Andrew Boff AM	London Assembly Member
Tom Copley AM	London Assembly Member
Stephen Knight AM	London Assembly Member
Joanne McCartney AM	London Assembly Member
Fiona Twycross AM	London Assembly Member
Margaret Hodge MBE MP	Barking
Jane Ellison MP	Battersea
Bob Stewart MP	Beckenham
Neil Coyle MP	Bermondsey and Old Southwark
Rushanara Ali MP	Bethnal Green and Bow
David Evennett MP	Bexleyheath and Crayford
Dawn Butler MP	Brent Central
Barry Gardiner MP	Brent North
Ruth Cadbury MP	Brentford and Isleworth
Robert Neill MP	Bromley and Chislehurst
Harriet Harman QC MP	Camberwell and Peckham
Tom Brake MP	Carshalton and Wallington
Greg Hands MP	Chelsea and Fulham
Cheryl Gillan MP	Chesham and Amersham
Iain Duncan Smith MP	Chingford and Woodford Green
Theresa Villiers MP	Chipping Barnet
Mark Field MP	Cities of London and Westminster
Gavin Barwell MP	Croydon Central
Steve Reed OBE MP	Croydon North
Chris Philp MP	Croydon South
Jon Cruddas MP	Dagenham and Rainham
Helen Hayes MP	Dulwich and West Norwood
Rupa Huq MP	Ealing Central and Acton
Stephen Pound MP	Ealing North
Virendra Sharma MP	Ealing Southall

Stephen Timms MP	East Ham
Kate Osamor MP	Edmonton
Clive Efford MP	Eltham
Joan Ryan MP	Enfield North
David Burrowes MP	Enfield Southgate
Eleanor Laing MP	Epping Forest
Teresa Pearce MP	Erith and Thamesmead
Seema Malhotra MP	Feltham and Heston
Mike Freer MP	Finchley and Golders Green
Matthew Pennycook MP	Greenwich and Woolwich
Diane Abbott MP	Hackney North and Stoke Newington
Meg Hillier MP	Hackney South and Shoreditch
Andy Slaughter MP	Hammersmith
Tulip Siddiq MP	Hampstead and Kilburn
Bob Blackman MP	Harrow East
Gareth Thomas MP	Harrow West
John McDonnell MP	Hayes and Harlington
Matthew Offord MP	Hendon
Keir Starmer KCB QC MP	Holborn and St Pancras
Angela Watkinson DBE MP	Hornchurch and Upminster
Catherine West MP	Hornsey and Wood Green
Wes Streeting MP	Ilford North
Mike Gapes MP	Ilford South
Jeremy Corbyn MP	Islington North
Emily Thornberry MP	Islington South and Finsbury
Victoria Borwick AM MP	Kensington
James Berry MP	Kingston and Surbiton
Victoria Foxcroft MP	Lewisham Deptford
Heidi Alexander MP	Lewisham East
Jim Dowd MP	Lewisham West and Penge
John Cryer MP	Leyton and Wanstead
Siobhain McDonagh MP	Mitcham and Morden
James Brokenshire MP	Old Bexley and Sidcup
Jo Johnson MP	Orpington
Jim Fitzpatrick MP	Poplar and Limehouse
Justine Greening MP	Putney
Zac Goldsmith MP	Richmond Park
Andrew Rosindell MP	Romford
Nick Hurd MP	Ruislip, Northwood and Pinner
David Gauke MP	South West Hertfordshire
Chuka Umunna MP	Streatham
Paul Scully MP	Sutton and Cheam
Sadiq Khan MP	Tooting
David Lammy MP	Tottenham
Tania Mathias MP	Twickenham
Boris Johnson MP	Uxbridge and South Ruislip
Kate Hoey MP	Vauxhall
Stella Creasy MP	Walthamstow

Richard Harrington MP	Watford
Lyn Brown MP	West Ham
Karen Buck MP	Westminster North
Stephen Hammond MP	Wimbledon
Paul Beresford MP	Mole Valley
Michael Fallon MP	Sevenoaks
Chris Grayling MP	Epsom and Ewell
Alan Haselhurst MP	Saffron Walden
Eleanor Laing MP	Epping Forest
Peter Lilley MP	Hitchin and Harpenden
Fiona MacTaggart MP	Slough
Nicholas Soames MP	Mid Sussex
Andrew Tyrie MP	Chichester
John Whittingdale OBE MP	Maldon
Mark Prisk MP	Hertford and Stortford
John Redwood MP	Wokingham
Eric Pickles MP	Brentwood and Ongar
Theresa May MP	Maidenhead
Tim Loughton MP	East Worthing and Shoreham
David Lidington MP	Aylesbury
Bernard Jenkin MP	Harwich and North Essex
Nick Gibb MP	Bognor Regis and Littlehampton
Damian Green MP	Ashford
Philip Hammond MP	Runnymede and Weybridge
Oliver Heald QC MP	North East Hertfordshire
Mark Francois MP	Rayleigh and Wickford
Cheryl Gillan MP	Chesham and Amersham
Dominic Grieve QC MP	Beaconsfield
Roger Gale MP	North Thanet
John Baron MP	Basildon and Billericay
Peter Bottomley MP	Worthing West
Julian Brazier TD MP	Canterbury
David Amess MP	Southend West
Simon Burns MP	Chelmsford
John Bercow MP	Buckingham
Crispin Blunt MP	Reigate
Caroline Lucas MP	Brighton Pavilion
Robert Wilson MP	Reading East
Mark Lancaster TD MP	Milton Keynes North
David Gauke MP	South West Hertfordshire
Douglas Carswell MP	Clacton
James Duddridge MP	Rochford and Southend East
Gordon Henderson MP	Sittingbourne and Sheppey
Grant Shapps MP	Welwyn Hatfield
Iain Stewart MP	Milton Keynes South
Robert Halfon MP	Harlow
Mike Penning MP	Hemel Hempstead
Kwasi Kwarteng MP	Spelthorne

Henry Smith MP	Crawley
Gareth Johnson MP	Dartford
Adam Holloway MP	Gravesham
Anne Milton MP	Guildford
Stephen Metcalfe MP	South Basildon and East Thurrock
James Cleverly MP	Braintree
Richard Benyon MP	Newbury
Damian Collins MP	Folkestone and Hythe
Jeremy Hunt MP	South West Surrey
Anne Main MP	St Albans
Michael Gove MP	Surrey Heath
Adam Afriyie MP	Windsor
Rehman Chishti MP	Gillingham and Rainham
Charles Walker OBE MP	Broxbourne
Priti Patel MP	Witham
Greg Clark MP	Tunbridge Wells
Phillip Lee MP	Bracknell
Nick Herbert MP	Arundel and South Downs
Amber Rudd MP	Hastings and Rye
Jackie Doyle-Price MP	Thurrock
Charlie Elphicke MP	Dover
Craig Mackinlay MP	South Thanet
Sam Gyimah MP	East Surrey
Tracey Crouch MP	Chatham and Aylesford
Peter Kyle MP	Hove
Simon Kirby MP	Brighton Kemptown
Stephen McPartland MP	Stevenage
Alok Sharma MP	Reading West
Helen Grant MP	Maidstone and The Weald
Huw Merriman MP	Bexhill and Battle
Rebecca Harris MP	Castle Point
Will Quince MP	Colchester
Richard Harrington MP	Watford
Jonathan Lord MP	Woking
Steve Baker MP	Wycombe
Dominic Raab MP	Esher and Walton
Nusrat Ghani MP	Wealden
Maria Caulfield MP	Lewes
Oliver Dowden CBE MP	Hertsmere
Caroline Ansell MP	Eastbourne
Tom Tugendhat MBE MP	Tonbridge and Malling
Kelly Tolhurst MP	Rochester and Strood
Helen Whately MP	Faversham and Mid Kent
Jeremy Quin MP	Horsham

Local Authorities
City of London

London Borough of Barking & Dagenham
London Borough of Barnet
London Borough of Bexley
London Borough of Brent
London Borough of Bromley
London Borough of Camden
London Borough of Croydon
London Borough of Ealing
London Borough of Enfield
London Borough of Hackney
London Borough of Hammersmith & Fulham
London Borough of Haringey
London Borough of Harrow
London Borough of Havering
London Borough of Hillingdon
London Borough of Hounslow
London Borough of Islington
London Borough of Lambeth
London Borough of Lewisham
London Borough of Merton
London Borough of Newham
London Borough of Redbridge
London Borough of Richmond upon Thames
London Borough of Southwark
London Borough of Sutton
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Borough of Wandsworth
Royal Borough of Greenwich
Royal Borough of Kensington & Chelsea
Royal Borough of Kingston Upon Thames
Westminster City Council

Taxi Driver Trade Associations, and Associated Stakeholders
123 Send
A and S Services
A Palester
A1 taxis
Addison Lee
Adelante
Aquila Electronics
Ascott Cab & Co (Digitax)
Assistance Dogs UK
Beesley Engineering
Cab Card Services
CabCard Services Limited
Carlton Motors Ltd

Chauffeur & Executive Assn
Chauffeur and Executive Association
Computer Cab
Cricklewood Carriers
LMPCA
DfT
Dial-a-Cab
ECV/KPM
Edgware Cab Company
Frazer Nash
Gett UK
GMB
Hailo
Heathrow Airport Taxi Drivers United
Institute of Licensing
Institute of Professional Drivers and Chauffeurs
iView
iZettle
Jacabs
Just Taxis
Karsan
KPM UK
Licensed Private Hire Car Association
Licensed Taxi Drivers Association
London Cab Drivers Club
London Suburban Taxi Drivers Coalition
London Travel Watch
Long Lane Cabs
LTC
M&O
Mastercard
MVHG Ltd
National Association of Licensing and Enforcement Officers
Pay by Phone/Verrus
Pay Cabs
Penso
Pool Motors
Private Hire Board
Radio Taxis
Rainham Road Taxis
Richmond Road Cab Centre
RMT
S&H Cabs
Surrey Taxis Ltd
Taxiworld

UK Cards Association
Unite the Union
United Cabbies Group
Verifone
Verrus
Viking (The London & General Motor Cab Company Limited)
Visa
Worshipful Company of Hackney Drivers
Wright Cab Company

Other Licensing Authorities
Neighbouring taxi & private hire licensing authorities
National Association of Licensing and Enforcement Officers
Senior Traffic Commissioner
Institute of Licensing

User Groups and Other Stakeholders
Access in London
Action on Hearing Loss
Age UK
City of London Police
Department for Transport
Disabled Persons Transport Advisory Committee
Equality and Human Rights Commission
Guide Dogs
Heart of London
Heathrow Airport Ltd
Inclusion London
Joint Committee on Mobility for Disabled People
Living Streets
London Accessible Transport Alliance
London Business Improvement Districts (BIDs)
London Chamber of Commerce and Industry
London City Airport Ltd
London Councils
London Cycling Campaign
London First
London NHS bodies
London TravelWatch
Metropolitan Police Service
Network Rail
New West End Company
Passenger Focus
People 1st
Putney Bridge Ltd

RNIB
Roads Task Force members
Society of London Theatre
Society of West End Theatres
Suzy Lamplugh Trust
TfL Youth Panel
Train Operating Companies serving London
Transport for all
Visit London

Appendix B – Consultation materials

Taxis fares and tariffs consultation

Contact

consultations@tfl.gov.uk

Key Dates

Consultation is Open

Runs from 27 October 2015 to 21 December 2015

Other Information

Areas:

All Areas

Audience:

- Taxi licensees
- Taxi passengers and other stakeholders

Interests:

- Taxis

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Overview

Transport for London (TfL) licenses and regulates taxi and private hire services in London. As part of this, we set the maximum fares that taxis (black cabs) can charge. These fares are determined by tariffs that are reviewed each year and normally changed in early April, to reflect changes in a Cost Index that reflects the costs of operating a taxi in London.

Why are we consulting?

We are seeking views on changes to taxi fares and tariffs in London, to take place in April 2016.

Previous tariff reviews have followed three basic principles:

- Using the taxi Cost Index to guide the increase in average taxi fares;
- Maintaining reasonable differentials between the day, evening/weekend and late night tariffs; and
- Maintaining a reasonable progression of fare with journey length.

The previous taxi fares and tariff review resulted in a proposed decrease of average taxi fares by 0.1 per cent. However, as this change was so small, it was decided that we would freeze taxi fares and the 0.1 per cent decrease would be deferred until April 2016. This was decided to save all taxi vehicle licensees the time and costs of having to physically update their taximeters for such a small change. We are now seeking views on the following proposals:

- Continuing to use the Cost Index and the three basic principles to set taxi fares and tariffs in London. Using the best information currently available, and taking into account the 0.1 per cent decrease from 2015, this would mean an increase to average taxi fares of 0.8 per cent.
- Continuing the present arrangement that allows taxi drivers to add an extra charge of 40 pence if fuel prices increase significantly
- Introducing a provision that fares should be reduced if fuel prices decrease significantly, as agreed last year
- Changing the current minimum taxi fare (currently £2.40)
- Changing the times when tariff three applies (currently 22:00 to 06:00)
- Changing the arrangement when the tariff rate for longer journeys starts from being linked to the fare to being linked to the distance travelled
- Any other views and/or suggestions of changes to the current tariff that would benefit drivers and passengers

We are also seeking your views on the following items:

- The current Cost Index elements and if these are still appropriate, or if changes are required
- Fixed fare and capped fare schemes

[Please click here to read in further detail about these proposals](#)

Consultation

- Please let us know your views by completing the online questionnaire by **Monday 21 December 2015**.
- The responses to this consultation will be considered and taken into account when deciding what changes should be made to taxi fares and tariffs. If appropriate, the TfL Board will be invited to approve changes to the relevant Regulations.
- We would expect the TfL Board to approve any changes at its meeting in February 2016. Following the Board's meeting we will make an announcement confirming any approved changes and their implementation. We plan to introduce any changes on Saturday 2 April 2016.
- A summary of the responses will be published after the consultation period ends.
- Enquiries about this consultation can be made by emailing consultations@tfl.gov.uk with 'Taxi tariff 2016' in the subject line. If you would prefer to write to us with your thoughts, please use our freepost address. Simply mark your envelope 'TfL Freepost Consultations'.

Further details on our proposals

Annual revisions – general change in tariffs

Any change to taxi tariffs needs to be based on robust information to ensure that tariffs encourage taxi drivers to work at times when there is demand and taxi fares are reasonable given the service offered. It will not be acceptable to impose arbitrary changes or increases unless there is an extremely good reason.

Based on the latest available information and taking into account the 0.1 per cent decrease deferred from the last review, the Cost Index currently shows that average taxi fares should be increased by 0.8 per cent. This could change as updated information becomes available, particularly on fuel prices which are subject to rapid increases and decreases. We will update the Cost Index in December 2015 with the latest fuel figure available.

Fuel price changes

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. Since July 2008, special provisions have been in place to allow an extra charge of 40 pence to be added to each taxi fare if diesel price changes make this appropriate.

The extra charge would be authorised if diesel prices reach a threshold level. 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.

We propose to continue this arrangement, setting an appropriate threshold for fuel prices which if met would trigger the approval of an extra charge of 40 pence being added to taxi fares during 2016/17. The threshold will depend on the level of the general fares increase and the fuel price used in the calculation of the fare increase.

Last year, when considering whether to extend this arrangement, it was suggested that there should be a similar arrangement in place to reduce taxi fares if there was a significant decrease in diesel prices. We're interested in your comments on this proposal.

Minimum taxi fare

It has been suggested that the current minimum taxi fare of £2.40 is relatively low and should be increased. This was last changed in April 2012 when it was increased by 20 pence from £2.20 to £2.40. We're interested in your comments on whether the minimum taxi fare should be increased.

Changing the time when tariff three applies

Tariff three currently applies to taxi journeys at night between 22:00 and 06:00 and also on public holidays. The tariff three rate is higher than all of the other tariff rates and it has been suggested that the times when tariff three applies should be reviewed and changed so that this rate starts later and finishes earlier. Further information on tariff three is available [here](#).

We're interested in your comments on whether the period when tariff three applies should be changed.

Tariff rate for longer taxi journeys

The tariff rate for taxi journeys above six miles is different to the rate for journeys below six miles.

The different rates are:

- Tariff one – £2.55 per mile for journeys up to six miles
- Tariff two – £3.14 per mile for journeys up to six miles
- Tariff three – £3.89 per mile for journeys up to six miles
- Tariff rate for journeys over six miles – £3.64 per mile

At present the change to the tariff rate for journeys over six miles comes into effect once the taximeter reaches a certain fare. The fares at which the tariff rate changes are:

- Tariff one – £17.40
- Tariff two – £21.00
- Tariff three – £25.40

Having the tariff rate change once a certain fare is reached means that passengers could potentially pay the different tariff rate before their journey reaches six miles.

We're interested in your comments on whether we should change when this tariff starts from being linked to the fare to distance travelled.

Cost Index elements

The Cost Index is intended to take into account the costs associated with operating a taxi and being a taxi driver in London and the year on year changes to these are used to calculate the change to average taxi fares.

The current Cost Index elements, the contribution these make to any changes in taxi fares and the sources used to obtain the information is available [here](#).

The Cost Index has been adopted since 1981 and research amongst taxi drivers in 2014 showed that just over two thirds (69 per cent) felt that increases to taxi fares and tariffs should continue to be calculated in the same way.¹

We do not propose any change to the Cost Index calculation, but invite comments on this.

Fixed fare and capped fare schemes

The current taxi fare from Heathrow Airport to central London can vary significantly and can typically be between £46.00 and £85.00. It has been suggested that passengers arriving at Heathrow Airport and wanting to take a taxi to central London would benefit from knowing what the fare would be in advance. Many other world cities including New York, Rome, and Tokyo already offer fixed fares from an airport.

In the October 2014 Taxi Fares and Tariffs Consultation, proposals were included for fixed fares between Heathrow Airport and central London. At the time there were mixed views from respondents on the proposals with some in favour and others against.

It has been suggested to TfL that an alternative to fixed fares, where the fare paid is always the same, would be to introduce capped fares. With capped fares the fare would still be on the meter but there would be a maximum limit. For example if a capped fare of £50.00 for a particular journey was introduced then this would be the maximum amount a passenger would pay even if the fare on the taximeter went above £50.00. If the final fare shown on the taximeter was below £50.00 then the passenger would pay whatever that fare was.

We are interested in your comments on the introduction of fixed fares, and capped fare taxi schemes.

Additional information

Taxi and private hire services in London are licensed and regulated by Transport for London (TfL). The Service Operations directorate within TfL has day to day responsibility for the delivery of taxi and private hire licensing services.

¹ Taxi and Private Hire Licensee Customer Satisfaction Survey, TNS, 2014/15

We license London taxis (black cabs/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 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.

Tariff rates are reviewed each year, with a revision typically on the first Saturday in April.

London has just over 25,100 licensed taxi drivers and around 22,300 taxis. Drivers can be licensed to ply for hire anywhere in London (All London/Green Badge, of which there are around 21,600 drivers) or in one or more of nine suburban sectors (Suburban/Yellow Badge drivers, of which there are around 3,500)². 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 any area.

There are estimated to be approximately 185,000 passenger-carrying taxi journeys per day with an average journey length of about 3 miles³. Although all taxis can carry five passengers and some can hold six, there are one or two passengers in a typical hiring. Research in 2014 asked taxi passengers about taxi fares and this showed that the average fare was £19.58⁴.

In 2014 the overall passenger satisfaction score for London's taxi services was 83 out of 100 and the overall satisfaction score has remained fairly consistent since 2002. The same research showed that just over two thirds (67 per cent) of taxi passengers thought that taxi fares were much or a little too expensive. Just under one third (31 per cent) thought that taxi fares were about right whilst the remaining two per cent thought that fares were too low⁵.

Annual revisions – general change in tariffs

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; and
- Maintaining a reasonable progression of fare with journey length.

² Period 5 2015/16 Licensing Data

³ Taxi and PHV Driver Diary Survey, GfK NOP, 2009

⁴ Taxi and Minicab Passenger Customer Satisfaction Survey, TNS, 2014/15

⁵ Ibid

The Cost Index has been used for several years and provides a mechanism for calculating tariff changes taking into account changes in 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.

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.

The Cost Index provides a well established mechanism for reviewing taxi fares and tariffs and the average fare increase, based on the current fares and tariffs and calculated using the Cost Index, is shown as 0.8 per cent. This also takes into account the 0.1 per cent decrease deferred from April 2015.

A list of the current status of the Cost Index elements is [here](#). 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 0.8 per cent.

Details of the proposed tariff changes based on the current Cost Index are shown [here](#).

Fuel price changes

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. Since July 2008, special provisions have been in place to allow an extra charge of 40 pence to be added to each taxi fare if diesel price changes make this appropriate.

The extra charge would be authorised if diesel prices reach a threshold level. 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.

To illustrate, if the fuel charge were a four per cent increase on the average taxi fare, the threshold would represent a four 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 is set at 164.50 pence per litre (as measured by the AA Fuel Price Report⁶). The new threshold figure will be calculated in late December 2015.

If the threshold diesel price is exceeded before the next tariff revision 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 next annual tariff revision, even if fuel prices subsequently decreased.

We propose to continue this arrangement, setting an appropriate threshold for fuel prices which if met would trigger the approval of an extra charge of 40 pence being added to taxi

⁶ AA Fuel Price Report, http://www.theaa.com/motoring_advice/fuel/

fares during 2016/17. The threshold will depend on the level of the general fares increase and the fuel price used in the calculation of the fare increase.

Last year when considering whether to extend this arrangement it was suggested that there should be a similar arrangement in place to reduce taxi fares if there was a significant decrease in diesel prices.

Reducing all taxi tariffs in the event of a significant reduction in diesel prices would require every taximeter to be updated. However, rather than changing the tariff rates and requiring every taximeter to be updated an alternative approach would be for taxi drivers to charge 40 pence less in the event of a significant reduction in diesel prices. This would mirror the arrangement in place when there is a significant increase in diesel prices. In the event of a reduction appropriate publicity to inform passengers and taxi drivers could be produced.

Minimum taxi fare

It has been suggested that the current minimum taxi fare of £2.40 is relatively low and should be increased. This was last changed in April 2012 when it was increased by 20 pence from £2.20 to £2.40.

There are various taxi fares and minimum fares in place in different parts of the UK but below are some of the different minimum fares that apply at present:

Location	Minimum fare	When applicable
London	£2.40	At all times
	£4.00 extra charge	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
Birmingham	£2.20	Monday to Saturday between 07:00-23:00
	£2.40	Sunday to Thursday between 23:00-04:00, Sunday 07:00-23:00 and Bank Holidays between 00:00-23:00 (except for those days as specified in tariffs three and four)
	£2.60	Friday and Saturday between 23:00-07:00, all day on Boxing Day, Christmas Eve between 19:00-24:00 and New Year's Eve between 19:00-24:00
	£3.00	All day on Christmas Day and New Year's Day between 00:00-07:00
Cambridge	£2.80	07:00-19:00

Location	Minimum fare	When applicable
	£3.80	19:00-07:00, Sundays and Bank Holidays
	£4.80	19:00 on Christmas Eve to 07:00 on Boxing Day, and 19:00 on New Year's Eve to 07:00 on New Year's Day
Hertfordshire	£3.00	Standard tariff
	£4.50	00:00 and 06:00, all day Sunday and all day on Bank Holidays
	£6.00	All day Christmas Day
Manchester	£2.30	06:00-22:00
	£2.80	22:00-06:00, all day on Bank Holidays and Good Friday
Plymouth	£3.00	Monday to Saturday, 06:00-19:00
	£3.50	Monday to Saturday, 19:00-00:00, Sundays and Bank Holidays from 06:00-19:00
	£4.00	Monday to Saturday, 00:00-06:00, Sundays and Bank Holidays from 19:00-00:00
	£4.50	Sundays and Bank Holidays from 00:00-06:00, 19:00 on Christmas Eve until 06:00 on 27 December and 19:00-00:00 on 31 December and from 06:00 on 1 January until 06:00 on 2 January
	£6.00	New Year's Day from 00:00 to 06:00
Portsmouth	£2.20	07:00-22:00
	£2.60	22:00-07:00

Changing the time when tariff three applies

Tariff three currently applies to taxi journeys at night between 22:00 and 06:00 and also on public holidays.

The tariff three rate is higher than all of the other tariff rates and it has been suggested that the times when tariff three applies should be reviewed and changed so that this rate starts later and finishes earlier.

The different tariff rates and times when these apply are:

Tariff	Rate	Times when the tariff currently applies
Tariff one for journeys up to six miles	£2.55 per mile	Monday to Friday, 06:00-20:00
Tariff two for journeys up to six miles	£3.14 per mile	Monday to Friday, 20:00-22:00 Saturday and Sunday, 06:00-22:00
Tariff three for journeys up to six miles	£3.89 per mile	Every night, 22:00-06:00 Public holidays
Tariff rate for journeys over six miles	£3.64 per mile	At all times for journeys over six miles

Tariff three was introduced in November 2001 and the current times when tariff three applies came into effect in April 2003. The main intention of this tariff rate was to encourage more taxi drivers to work late at night and increase the supply of available taxis. However, the higher rate could actually deter some passengers from using taxis as they feel they are too expensive between the times when tariff three applies.

Research from 2014 showed that just over two thirds of taxi passengers (67 per cent) thought that taxi fares were much or a little too expensive. Just under one third (31 per cent) thought that taxi fares were about right whilst the remaining two per cent thought that fares were too low.⁷

The same research also showed that satisfaction amongst taxi passengers who travelled when tariff three applied was lower compared to passengers who travelled when tariff one or two applied.

Tariff rate for longer taxi journeys

The tariff rate for taxi journeys above six miles is different to the rate for journeys below six miles. At present the change to the tariff rate for journeys over six miles actually comes into effect once the taximeter reaches a certain fare. The different rates and the fares at which the tariff rate changes are shown below:

Tariff	Rate	Fare at which the tariff rate changes
Tariff one for journeys up to six miles	£2.55 per mile	£17.40
Tariff two for journeys up to six miles	£3.14 per mile	£21.00
Tariff three for journeys up to six miles	£3.89 per mile	£25.40
Tariff rate for journeys over six miles	£3.64 per mile	NA

⁷ Taxi and Minicab Passenger Customer Satisfaction Survey, TNS, 2014/15

Having the tariff rate change once a certain fare is reached means that passengers could potentially pay the different tariff rate before their journey reaches six miles.

Cost Index elements

The Cost Index is intended to take into account the costs associated with operating a taxi and being a taxi driver in London and the year on year changes to these are used to calculate the change to average taxi fares.

The current Cost Index elements, the contribution these make to any changes in taxi fares and the sources used to obtain the information is available [here](#).

The Cost Index has been used since 1981 and research amongst taxi drivers in 2014 showed that just over two thirds (69 per cent) felt that increases to taxi fares and tariffs should continue to be calculated in the same way.⁸

Fixed fare and capped fare schemes

The current taxi fare from Heathrow Airport can vary significantly and can typically be between £46.00 and £85.00. It is felt that passengers arriving at Heathrow Airport and wanting to take a taxi to central London would benefit from knowing what the fare would be and some other cities already offer fixed fares from an airport.

In the October 2014 taxi fares and tariffs consultation, proposals were included for fixed fares between Heathrow Airport and central London. At the time there were mixed views from respondents on the proposals with some in favour and others against.

One alternative to fixed fares, where the fare paid is always the same, would be to introduce capped fares. With capped fares the fare would still be on the meter but there would be a maximum limit. For example if a capped fare of £50.00 for a particular journey was introduced then this would be the maximum amount a passenger would pay even if the fare on the taximeter went above £50.00. If the final fare shown on the taximeter was below £50.00 then the passenger would pay whatever that fare was.

Impact assessments

Costs

Any taxi fare increase will be borne by taxi passengers and so will have a cost impact on them. The Cost Index has been established for over thirty years as the most appropriate way of ensuring that regulated fares remain in line with the costs of providing the taxi service.

At present the proposed tariff increase is lower than the Retail Price Index (RPI) but higher than the Consumer Price Index (CPI), which are 1.1 per cent and 0.0 per cent respectively (August 2015)⁹.

⁸ Taxi and Private Hire Licensee Customer Satisfaction Survey, TNS, 2014/15

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 would therefore benefit passengers.

Taxis are heavily used by disabled and elderly visitors and Londoners and these groups will be affected by fare increases.

Any increase to taxi fares will affect the Taxicard scheme, which provides subsidised taxi travel for disabled Londoners and is funded by TfL and the London boroughs. An increase in taxis fares will potentially result in members being able to make fewer trips if funding is not increased.

Introducing a requirement that taxi fares would be reduced if diesel prices fell significantly would benefit passengers as fares would be lower.

Increasing the minimum fare could affect taxi passengers however, the current minimum fare is not considered excessive and any change is likely to be modest plus the average fare will still be significantly higher than the minimum fare.

If the time when tariff three applies was reduced then this would benefit taxi passengers as it would mean that the highest tariff rate would apply for a shorter period. Taxi drivers working in the period when tariff three used to apply would be affected as the fares paid for some journeys could potentially be lower however, making this change could increase the number of taxi passengers and journeys and alter the perception amongst some members of the public that taxi fares at night are too expensive.

Increasing the period when tariff three applies would mean passengers paying the higher rate for a longer period. Taxi drivers could potentially benefit from increased fares but the perception that taxi fares are too high could affect taxi passenger numbers and deter some existing passengers from using taxis.

Applying the tariff rate for long journeys once a taxi journey has reached six miles, as opposed to a certain fare, would benefit passengers travelling when tariffs one and two apply and who otherwise might have started paying the higher tariff rate before their journey had reached six miles. Passengers in this situation but travelling when tariff three applies could pay a slightly higher fare as tariff three is higher than the tariff rate for long journeys. Conversely in these situations drivers would be affected and could receive slightly lower fares when tariffs one and two apply and slightly higher fares when tariff three applies.

It has been suggested that consideration should be given to reviewing how any tariff increase is applied and not increasing each tariff by the same percentage but instead increasing tariff one or two by a higher percentage and tariff three by a lower percentage.

⁹ ONS Statistical Bulletin, August 2015, http://www.ons.gov.uk/ons/dcp171778_416118.pdf

One of the reasons for the suggestion was to counter any potential loss to drivers as a result of changing when the tariff for journeys over six miles starts from being based on a fare to being based on a distance. Applying a higher increase to tariff one would affect passengers travelling at those times as they would be paying more than if the same increase was applied across all three tariffs. However, passengers travelling when tariff three applies could benefit as the increase would be lower. Passengers may perceive the highest tariff rate (i.e. tariff three) as increasing by a lower rate in a positive way, conversely some may feel that it is unfair that tariff one or two is increasing by more than it normally would.

The impact of fixed fares would depend upon what the fare was. If it was higher than the average fare then some passengers would pay more than if the metered fare was charged. This could benefit drivers unless passengers were deterred from using taxis by the higher fares. If the fixed fare was lower than the average fare then more passengers would benefit but this may discourage drivers from wanting to accept these hirings, although it could lead to an increase in the number of passengers using taxis.

Capped fares would benefit passengers and both this and fixed fares would provide certainty to them. Drivers would be affected when the metered fare was higher than the capped fare but would benefit if there was an increase in the number of taxi passengers and journeys.

No other significant cost implications have been identified.

Crime and Disorder

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.

The proposed increase to taxi fares would help ensure that drivers are able to meet their costs and maintain earnings. This is important to ensure 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.

The current tariff rate at night (tariff three) is the highest rate and there are suggestions that this deters some people from using taxis at night, which has an impact on drivers if there are fewer passengers willing to use taxis when tariff three applies. Reducing the period when tariff three applies could encourage some passengers to use taxis, instead of illegal 'cabs', at night.

Fixed or capped fare schemes may make some passengers choose to use a taxi instead of an illegal 'cab' but the impact of any such scheme would depend upon the fares charged, when it operates and where.

Public Sector Equality Duty

Taxis are heavily used by disabled and elderly residents and visitors to London. These groups will be affected by the fare increases. Disabled residents in London are eligible for subsidised taxi journeys under the Taxicard scheme which provides a door-to-door service, using an accessible taxi for social trips. 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 much.

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 charge. However, not all other transport services provide a fully accessible door-to-door service that may be essential for some elderly travellers.

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 route, are wheelchair accessible they do not provide a door-to-door service.

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.

Some residents may be eligible to use the Dial-a-Ride service which does provide a door-to-door service and accessible vehicles.

Elderly and disabled taxi passengers will be affected by a taxi fare increase and the proposed increase is currently lower than RPI but higher than CPI, which are 1.1 per cent and 0.0 per cent respectively (August 2015)¹⁰.

Elderly and disabled taxi passengers would benefit from any changes that reduced the period when the tariff three rate applies or that meant the rate for longer journeys did not increase before the journey had reached six miles, although for anyone making longer journeys during tariff three this would mean that the lower tariff rate would not apply as early in the journey.

Applying a higher increase to tariff one or two would affect elderly and disabled passengers travelling at those times as they would be paying more than if the same increase was applied across all three tariffs. However, passengers travelling when tariff three applies could benefit as the increase would be lower.

Health and Safety

No significant implications for health and safety have been identified.

Environmental Sustainability

No significant environmental implications have been identified.

¹⁰ ONS Statistical Bulletin, August 2015, http://www.ons.gov.uk/ons/dcp171778_416118.pdf

Summary of taxi fares regulations

General

The London Cab Order 1934 (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 for most journeys is a hiring charge plus the applicable rate (a sum based on the time and/or 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 amendment 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 an environmental charge of 20p for each taxi journey was introduced to cover the costs of bringing all taxis up to the Euro III emissions standard. This was removed in 2008.

Different fare regulations apply to hirings under fixed fare schemes or sharing arrangements.

Projected licensed taxi cost index changes 2015

Index Component ¹	Cost Increase	Weight ²	Contribution to Total ³	Data availability ⁴
		Last Year		Latest
Vehicle Cost ⁹	-2.5%	9.1%	-0.2%	August 2015
Parts ⁵	1.6%	4.2%	0.1%	August 2015
Tyres ⁵	1.6%	0.6%	0.0%	August 2015
Garage & servicing – premises ⁵	1.6%	0.6%	0.0%	August 2015
Garage & Servicing – labour ⁵	1.6%	2.0%	0.0%	August 2015
Fuel ⁶	-7.5%	10.6%	-1.1%	Jul – Sep 2015
Insurance ⁷	5.6%	4.5%	0.3%	August 2015
Miscellaneous	1.0%	1.0%	0.0%	N/A
The Knowledge ⁸	2.7%	5.4%	0.1%	May– Jul 2015
Social Costs ⁸	2.7%	2.8%	0.1%	May– Jul 2015
Total Operating Costs	-1.0%	40.7%	-0.7%	
Average national earnings ⁸	2.7%	59.3%	1.6%	May– Jul 2015
Grand Total	1.2%	100%	0.9%	

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 September 2015.
6. The change in fuel costs relates to the change from the average of the AA diesel price for the 3 months to December 2014 to the 3 months to September 2015. 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 September 2015.
8. Provisional Knowledge, Social Costs and Average National Earnings changes are derived from the ONS average weekly earnings averages for the three months to September 2014 and July 2015.
9. The Office for National Statistics RPI figure for “purchase of motor vehicles” (DOCS) is being used to estimate vehicle cost whilst awaiting manufacturers’ figures.

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06 October 2015

Details of taxi cost calculations

This table shows the cost per mile of each cost component in 2014 and 2015.

Component of index	Cost p per mile in 2014	Proportion of costs in 2015	Cost p per mile in 2015	Increase in costs 2015	Contribution to total increase
Vehicle Cost	21.25	8.7%	20.71	-2.5%	-0.2%
Parts	9.89	4.2%	10.05	1.6%	0.1%
Tyres	1.46	0.6%	1.49	1.6%	0.0%
Garage & Servicing - Premises	1.34	0.6%	1.36	1.6%	0.0%
Garage & Servicing - Labour	4.74	2.0%	4.82	1.6%	0.0%
Fuel	24.92	9.5%	22.38	-10.2%	-1.1%
Insurance	10.53	4.7%	11.12	5.6%	0.3%
Miscellaneous	2.35	1.0%	2.37	1.0%	0.0%
The Knowledge	12.64	5.5%	12.98	2.7%	0.1%
Social Costs	6.48	2.8%	6.66	2.7%	0.1%
Total operating costs	95.60	39.7%	93.95	-1.7%	-0.7%
Average national earnings	139.16	60.3%	142.87	2.7%	1.6%
Grand Total	234.76	100.0%	236.81		0.9%

Note that increases are rounded to one decimal place in the table, but greater precision has been used in the calculations.

Vehicle Cost

This figure has been assessed in the past by modelling different purchase strategies, making use of price information for both LTC taxis (TX models) and Vito taxis. It has proven difficult to get the information required to complete the calculation. However, we hope to get updated information in the near future and will update the cost index accordingly. As a proxy measure we propose to use the ONS RPI figure for 'purchase of motor vehicles' which shows a 2.5 per cent decrease since October 2014.

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 2015 the DOCT RPI series showed an annual increase of 1.6 per cent. This gives an increase in the cost per mile of these components from 17.43p in 2014 to 17.72p in 2015.

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 AA data last used to calculate the index, the average fuel price over the three months to December 2014, was compared with the AA average price over the latest three months to September 2015. This gives a value of 114.0p per litre compared to 126.9p, giving a decrease of 10.2 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 August 2015 the DOCV RPI series showed an increase of 5.6 per cent compared to the benchmark October price level used to calculate the last index. This gives an increase in the cost per mile of these components from 10.53p in 2014 to 11.12p.

Miscellaneous

This comprises the cost of hiring a meter, smoke test, vehicle licence and driver licence. The average cost in 2014 was £481 or 2.35 pence per mile. The average cost for the same strategies in 2015 was £486 or 2.37 pence per mile, giving an increase of 1.0 per cent.

Earnings Related

The latest average weekly earnings data (headline rate ONS series KAC3) show a 2.7% increase for the three months to July 2015, compared to the three months to September 2014 used for the 2015 index. This gives a cost per mile figure for the updated index of 142.9p, representing 60.3 per cent of the total index cost.

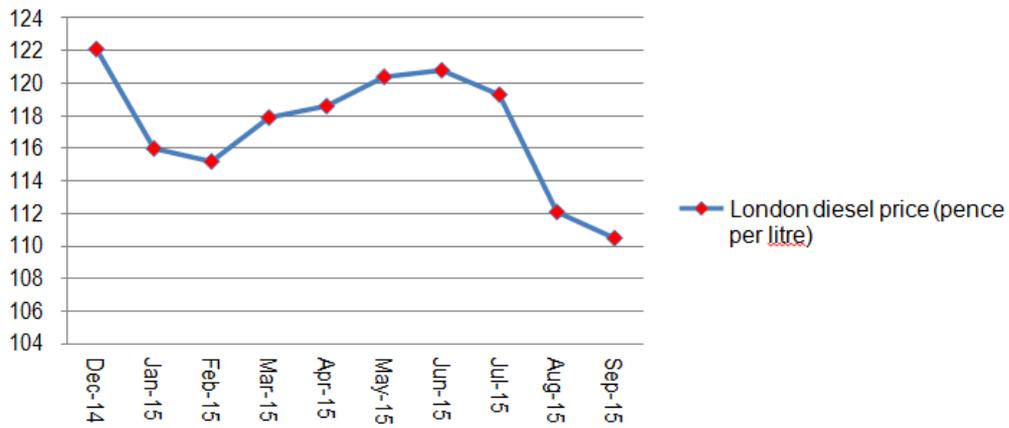
The "knowledge" and "social" costs have also been uplifted each year in line with national earnings. In 2015 these increased to 12.98p and 6.66p respectively, together representing a further 8.3 per cent of the total index cost.

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Fuel Prices

The chart below shows the London diesel price published by the AA in its monthly fuel report¹¹.

London diesel price (pence per litre)



¹¹ AA Fuel Price Report, http://www.theaa.com/motoring_advice/fuel/

Tariff Changes – 0.8 per cent average increase¹²

Average Fares

	Current average	New average	Increase (£)	Increase (%)
Tariff 1	£11.51	£11.60	£0.09	0.8%
Tariff 2	£13.34	£13.45	£0.10	0.8%
Tariff 3	£15.67	£15.80	£0.13	0.8%
All Week	£12.72	£12.82	£0.10	0.8%

Tariff Rates – 0.8 per cent average increase

	Tariff 1		Tariff 2		Tariff 3	
	Current	New	Current	New	Current	New
minimum fare ¹³	£2.40	£2.40	£2.40	£2.40	£2.40	£2.40
minimum units	2	2	2	2	2	2
metres/unit < 6 miles	126.2	125.0	102.5	101.6	82.7	82.0
secs/unit < 6 miles	27.1	26.8	22.0	21.8	17.8	17.6
metres/unit > 6 miles	88.5	87.6	88.5	87.6	88.5	87.6
secs/unit > 6 miles	19.0	18.8	19.0	18.8	19.0	18.8
Units at lower rate	76	77	94	95	116	117
Metres at lower rate	9591.2	9625.0	9635.0	9652.0	9593.2	9594.0
changeover fare	£17.40	£17.60	£21.00	£21.20	£25.40	£25.60

¹² An increase of 0.8% has been selected as the 0.9% increase in fares calculated by the model this year is offset against the 0.1% decrease calculated by the model last year, which was not implemented. Thus the overall change in fares calculated by the model since the last fare revision is a 0.8% increase.

¹³ The minimum fare is £2.40

Example Fares – 0.8 per cent average increase

Journey length Miles	Tariff 1			Tariff 2			Tariff 3		
	Current	New	Change	Current	New	Change	Current	New	Change
minimum	£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	£6.00	£6.00	0.0%	£6.80	£6.80	0.0%	£8.00	£8.00	0.0%
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%	£10.00	£10.00	0.0%	£11.80	£12.00	1.7%
3.0	£9.80	£9.80	0.0%	£11.60	£11.60	0.0%	£13.80	£13.80	0.0%
3.5	£11.00	£11.20	1.8%	£13.00	£13.20	1.5%	£15.80	£15.80	0.0%
4.0	£12.40	£12.40	0.0%	£14.60	£14.80	1.4%	£17.60	£17.80	1.1%
4.5	£13.60	£13.60	0.0%	£16.20	£16.40	1.2%	£19.60	£19.80	1.0%
5.0	£14.80	£15.00	1.4%	£17.80	£18.00	1.1%	£21.60	£21.80	0.9%
6.0	£17.40	£17.60	1.1%	£21.00	£21.20	1.0%	£25.40	£25.60	0.8%
7.0	£21.00	£21.20	1.0%	£24.60	£24.80	0.8%	£29.00	£29.40	1.4%
8.0	£24.80	£25.00	0.8%	£28.20	£28.40	0.7%	£32.80	£33.00	0.6%
9.0	£28.40	£28.60	0.7%	£31.80	£32.20	1.3%	£36.40	£36.60	0.5%
10.0	£32.00	£32.20	0.6%	£35.40	£35.80	1.1%	£40.00	£40.40	1.0%
11.0	£35.60	£36.00	1.1%	£39.20	£39.40	0.5%	£43.60	£44.00	0.9%
12.0	£39.20	£39.60	1.0%	£42.80	£43.20	0.9%	£47.20	£47.60	0.8%
13.0	£43.00	£43.20	0.5%	£46.40	£46.80	0.9%	£51.00	£51.40	0.8%
14.0	£46.60	£47.00	0.9%	£50.00	£50.60	1.2%	£54.60	£55.00	0.7%
15.0	£50.20	£50.60	0.8%	£53.60	£54.20	1.1%	£58.20	£58.80	1.0%
16.0	£53.80	£54.40	1.1%	£57.40	£57.80	0.7%	£61.80	£62.40	1.0%
18.0	£61.00	£61.60	1.0%	£64.60	£65.20	0.9%	£69.00	£69.80	1.2%
20.0	£68.40	£69.00	0.9%	£71.80	£72.60	1.1%	£76.40	£77.00	0.8%

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

Appendix C – List of consultation questions

Question 1: What is your name? (Open field)

Question 2: What is your email address? (Open field)

Question 3: Please provide us with your postcode? (Open field)

Question 4: If responding on behalf of an organisation, business or campaign group, please provide us with the name: (Open field)

Question 5: How did you hear about this consultation: (Closed question)

Respondents were given the following options:

- *Received an email from TfL*
- *Received a letter from TfL*
- *Read about in the press*
- *Saw it on the TfL website*
- *Social media*
- *Other (please specify)*

Question 6: Are you responding as...?(Closed question)

Respondents were given the following options, with respondents directed to subsequent questions based upon their choice:

- *A London licensed taxi (black cab) driver (to Question 7)*
- *A London licensed taxi (black cab) user (to Question 14)*
- *A non-taxi user (to Question 16)*
- *A representative of an organisation (to Question 16)*

Question 7: If you are responding as a London licensed taxi (black cab) driver, are you...? (Closed question)

Respondents identifying themselves as licensed taxi drivers in Question 6 were given the following options, and directed to subsequent questions based upon their choice:

- *An All London driver (to Question 8)*
- *A Suburban driver (to Question 11)*

Question 8: How many years have you been licensed as a taxi driver? (Closed question)

Respondents identifying themselves as “All London driver” in Question 7 were given the following options:

- *Less than a year*
- *1-5 years*
- *6-10 years*
- *11-15 years*
- *More than 15 years*

Question 9: Are you on a radio circuit (Computer Cab, Dial-a-Cab or Radio Taxis)? (Closed question)

Respondents were given the following options:

- Yes
- No

Question 10: Are you with a taxi app (e.g. Get Taxi/Gett UK, Hailo, etc.) (*Closed question*)

Respondents were given the following options, and directed to Question 16::

- Yes
- No

Question 11: How many years have you been licensed as a taxi driver? (*Closed question*)

Respondents identifying themselves as “Suburban driver” in Question 7 were given the following options:

- *Less than a year*
- *1-5 years*
- *6-10 years*
- *11-15 years*
- *More than 15 years*

Question 12: Are you on a radio circuit (Computer Cab, Dial-a-Cab or Radio Taxis?) (*Closed question*)

Respondents were given the following options:

- Yes
- No

Question 13: Are you with a taxi app (e.g. Get Taxi/Gett UK, Hailo, etc.)? (*Closed question*)

Respondents were given the following options, and directed to Question 16:

- Yes
- No

Question 14: As a taxi user, how often do you use taxis? (*Closed question*)

Respondents were given the following options:

- *Daily*
- *2-3 times a week*
- *3-4 times a month*
- *Once a month*

- *Less often*
- *Don't know*

Question 15: If you have any further comments, please let us know (Open field)

Question 16: Should any changes to the average taxi fares continue to be based on the Cost Index? (Closed question)

Respondents were given the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 17: Should an alternative method of reviewing and calculating changes to taxi fares be used? (Closed question)

Respondents were given the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

If yes, please specify an alternative method (Open field)

Question 18: What do you think of the current taxi tariff rates (Closed question)

Respondents were asked to select an option for each of the following tariff rates:

Matrix 1 - Tariff 1 - Monday to Friday 06:00-20:00

- *Much too low*
- *A little too low*
- *About right*
- *A little too expensive*
- *Much too expensive*
- *Don't know*

Matrix 1 - Tariff 2 - Monday to Friday 20:00-22:00 Saturday and Sunday 06:00-22:00

- *Much too low*
- *A little too low*
- *About right*
- *A little too expensive*
- *Much too expensive*

- *Don't know*

Matrix 1 - Tariff 3 - Every night and Public holidays 22:00-06:00

- *Much too low*
- *A little too low*
- *About right*
- *A little too expensive*
- *Much too expensive*
- *Don't know*

Matrix 1 - Tariff for journeys over six miles

- *Much too low*
- *A little too low*
- *About right*
- *A little too expensive*
- *Much too expensive*
- *Don't know*

Question 19: Should there continue to be a provision to allow an increase in taxi fares if diesel prices rise by a significant amount? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 20: Is the current arrangement of allowing an extra charge to be added to the final taxi fare the appropriate way to do this? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 21: What steps should be taken to make passengers aware of this extra charge if the threshold diesel price was exceeded? (Open field)

Question 22: Should there be a provision to allow a decrease in taxi fares if diesel prices fall by a significant amount? (Closed question)

Respondents were asked to select one of the following options:

- Yes
- No
- *Don't know*
- *No opinion*

Question 23: Should this be the same as the arrangement if diesel prices were to rise by a significant amount? (Closed question)

Respondents were asked to select one of the following options:

- Yes
- No
- *Don't know*
- *No opinion*

If this is not an appropriate approach, please suggest an alternative (Open field)

Question 24: Do you think the current minimum fare of £2.40 should change? (Closed question)

Respondents were asked to select one of the following options:

- *Yes - should be increased*
- *Yes - should be decreased*
- No
- *Don't know*
- *No opinion*

Question 25: If you think it should change what do you think the new minimum fare should be? (Closed question)

Respondents were asked to select one of the following options:

- £2.00
- £2.20
- £2.60
- £2.80
- £3.00
- £3.20
- *Other (please specify)*

Question 26: Do you think tariff three should continue to start at 22:00? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 27: If you think the start time should change what do you think the new time should be? (Closed question)

Respondents were asked to select one of the following options:

- *22:30*
- *23:00*
- *23:30*
- *00:00 (midnight)*
- *Other time (please specify)*

Question 28: Do you think Tariff 3 should continue to end at 06:00? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 29: If you think the end time should change what do you think the new time should be? (Closed question)

Respondents were asked to select one of the following options:

- *04:00*
- *04:30*
- *05:00*
- *05:30*
- *Other time (please specify)*

Question 30: Do you think that the different rate for longer journeys should only apply once a certain distance (i.e. six miles), instead of a fare, has been reached? (Closed question)

Respondents were asked to select one of the following options:

- *Yes, the different rate should apply once a certain distance is reached*
- *No, the different rate should continue to apply once a certain fare has been reached*
- *Don't know*

- *No opinion*

Question 31: Do you think that the elements included in the Cost Index are still correct? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 32: If no, what changes do you think should be made? (Open field)

Question 33: Are you in favour of fixed fare schemes for certain taxi trips? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 34: If no, please tell us why(Open field)

Question 35: Are you in favour of capped fare schemes for certain taxi trips? (Closed question)

Respondents were asked to select one of the following options:

- *Yes*
- *No*
- *Don't know*
- *No opinion*

Question 36: If no, please tell us why. (Open field)

Question 37: If we were to introduce a new fixed fare or capped fare scheme then the fares for these would need to be discussed with the relevant stakeholders. However, in principle would you support or oppose the following schemes? (Closed question)

Respondents were asked to select an option for each of the following fare schemes:

Matrix 1 - Fixed fare scheme from Heathrow Airport to central London

- *Support*

- *Oppose*
- *Don't know*

Matrix 1 - Fixed fare scheme from central London to Heathrow Airport

- *Support*
- *Oppose*
- *Don't know*

Matrix 1 - Capped fare scheme from Heathrow Airport to central London

- *Support*
- *Oppose*
- *Don't know*

Matrix 1 - Capped fare scheme from central London to Heathrow Airport

- *Support*
- *Oppose*
- *Don't know*

Question 38: Do you have suggestions for any fixed fare schemes? (Open field)

Question 39: Do you have suggestions for any capped fare schemes? (Open field)