

LICENSING COMMITTEE – 4 OCTOBER 2022

REVIEW OF TAXI FARES

Executive Summary

This report covers proposals relating to the setting of Hackney Carriage Fares.

The first proposal is to introduce a more robust method of calculating fares for Hackney Carriages based on a tried and tested method (and judicially reviewed with success) as established by Guildford Borough Council and upon introduction would give the Council an easier, clearer and fairer method of setting maximum fares for Hackney Carriages.

In order to do this it is proposed that the Executive delegate authority to the Head of Legal Services to review the table of fares annually or more frequently in exceptional circumstances in consultation with the Licensing Portfolio Holder and determine any changes to the table of fares that may be necessary. This would give the Licensing Authority the ability to make minor amendments based on any changes in social or financial details, ensuring the department is able to make necessary changes based on the adopted methodology and adapt as required without the need to bring each minor change before Full Council or Executive.

The Licensing Committee is requested to review the proposals and resolve that the resolutions set out below be recommended to the Executive. Following approval by the Executive, the Licensing Authority would be required to act quickly for the benefit of the taxi drivers by undertaking a formal consultation on the proposals. The outcome of the consultation would then be considered by the Licensing Portfolio Holder and Head of Legal Services. The Head of Legal Services would agree any changes to the table of fares as set out under the delegated authority arrangements below.

Recommendations

The Committee is requested to:

RECOMMEND TO EXECUTIVE That

- (i) the proposed method of working out the Hackney Carriage Fares be formally adopted;**
- (ii) delegated authority be given to the Head of Legal Services in consultation with the Licensing Portfolio Holder to act on behalf of the Council in agreeing to any future changes to Hackney Carriage Fares; and**
- (iii) it be agreed that the fares are to be reassessed as a matter of priority by the Licensing Authority to ensure that the maximum fares the Hackney Carriage trade can charge are not being restricted at a time of record inflation and rising fuel costs, by way of a required statutory consultation with the outcomes considered by the Head of Legal Services in consultation with the Licensing Portfolio Holder.**

The item(s) above will need to be dealt with by way of a recommendation to the Executive.

Review of Taxi Fares

Background Papers: None.

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1.0 Introduction

- 1.1 The Local Government (Miscellaneous Provisions) Act 1976 allows the Council to set the maximum costs and fares that drivers may charge the public for journeys taken in a taxi. In this context “the Council” means the Executive by virtue of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended).
- 1.2 In setting taxi fares, the Council has to balance any increase of taxi fares against the needs of the travelling public.

2.0 Proposal to introduce a new calculation for setting taxi fares

- 2.1 This is the Council’s proposed procedure for setting taxi fares for distance and time and other charges in connection with the hire of a taxi.
- 2.2 If the Council decide to vary the rates or fares, the Licensing Authority will advertise the proposed changes in a local newspaper. This will contain the date on which the new fares will take effect. The Authority will receive objections for a period of 14 days from the notice. The Authority will also make a copy of the notice available for inspection at the Council’s offices for the same period.
- 2.3 Where the department does not receive any objections to the proposed changes the amended fares and charges will take effect on the date specified in the notice.
- 2.4 If the department does receive objections the Head of Legal Services in consultation with the Licensing Portfolio Holder will consider them within two months and approve the final table of fares.
- 2.5 This procedure sets out the process for calculating taxi fares and other charges, which includes a methodology (a process that sets out cost factors relevant to operating a taxi in Woking); calculator (an excel spreadsheet which contains the formulae for calculating the fares) at Appendix 1; and table of fares (a document setting out the charges and other costs that a taxi driver may demand for each journey) at Appendix 2. Appendix 3 is a version of the calculations set out in Appendix 1 and 2 but with a rough layout of Woking’s figures inserted to show how it would change the current fares within the Borough. Appendix 3 also contains comparisons as to what the drivers would be charging compared with what they are currently able to charge, as well as where Woking currently stands compared to other Surrey authorities y and after the adoption of the proposed changes.
- 2.6 The procedure sets out the factors that the Authority will use when calculating the costs associated with operating a taxi in Woking. The values of these may change each year. It is proposed to review the values immediately if this method is implemented then annually, and in exceptional circumstances, where necessary in future.

3.0 Background

- 3.1 This method of calculating taxi fares was established by Guildford Borough Council’s Licensing Team and has proven to be tried and tested in the courts and is, therefore, considered legally robust.
- 3.2 The Guildford review was undertaken in 2016 following concerns about increased costs faced by drivers arising from the new policy of mandatory livery and BTEC qualification. Following adoption of these policies, the costs together with a removal of the “radio” fee were considered by the Licensing Committee and approved by their Executive in 2016.
- 3.3 The calculator was run with these figures and consulted upon, with the objections considered and the decision taken to implement the new reduced fares.

Review of Taxi Fares

- 3.4 The decision to adopt the new fares was subject of a Judicial Review by the taxi trade, who obtained an emergency injunction preventing the implementation of the fares until the Judicial Review had been concluded.
- 3.5 The challenge was dismissed in December 2017 with the Judge finding comprehensively in Guildford's favour.
- 3.6 There are a number of points in the Judge's decision which would assist in defending any challenge against future reviews.
- 3.7 Guildford had gone to considerable lengths to try to ascertain the correct costs for running a taxi by consulting the trade. The Judge considered it reasonable, in the absence of consultation data from the trade, to take the average costs of owning and running a normal vehicle in a relevant price band as a starting point for considering what costs to allow in the calculation of the table of fares.
- 3.8 Guildford was justified in selecting the AA data over other sources, provided it was adjusted to the taxi trade as necessary.
- 3.9 The Judge also took the view that if the taxi trade considered that Guildford's estimates of the costs that such a driver incurs were incorrect the operators of hackney carriages only had themselves to blame for not submitting sufficient reliable evidence on such costs in the consultations that Guildford had conducted.

4.0 Methodology

- 4.1 The Council will use the following process to calculate the total running costs associated with operating a taxi in Woking.

5.0 The Costs of Running a Taxi

- 5.1 The Licensing Authority will use the Automobile Association (The AA) values contained in the annual motoring costs report that are relevant to a new diesel vehicle within the £26,000 to £36,000 price bracket, when calculating the running costs associated with operating a taxi in Woking. That is because the majority of these licensed taxis use diesel fuel and fall within this price bracket when new.
- 5.2 The total annual cost of running a taxi per mile is variable and we will identify this value as item B on the fare calculator.
- 5.3 The AA divides the cost of running a car into charges and costs. Standing charges are the basic costs of keeping the vehicle ready for use on the road. The running costs are those that depend directly on using the vehicle.
- 5.4 The standing charges are set out in paragraph 7 as below:
 - depreciation
 - cost of capital
 - annual cost of insurance
 - cost of road tax
 - cost of breakdown cover

5.5 The running costs are set out in paragraph 8 as below:

- cost of fuel per litre
- cost of replacement tyres
- service labour costs
- cost of replacement parts
- cost of parking and tolls

6.0 Adjustment for Inflation

6.1 When implemented by Guildford Borough Council, one of the main elements of challenge to the Judicial Review of the 2016 fares was that the AA data was out of date. The data used for the setting of Guildford's 2016 fares was the AA Running Costs 2014, published by the AA in July 2014. At the time using this data was not disadvantageous to the taxi trade as the ONS RPI Motoring Expenditure Costs Index had shown a sustained deflation of the cost of motoring between March 2014 to May 2016.

6.2 The AA has, however, ceased producing its annual "Running Costs" upon which the methodology is based. Since the 2018 fare review, Guildford Borough Council has calculated fares using the previously approved 2014 Figures, however adjusted for inflation using the ONS RPI Motoring Expenditure Costs Index. During their consultation, no comments from the trade were received about this adjustment. The Licensing Authority considers this to be a reasonable approach.

7.0 Standing Charges

Depreciation

7.1 Different vehicles lose value at different rates depending on their make, age, mileage and condition.

7.2 The AA motoring costs assume depreciation over 4 years at a variable value per year. The Licensing Authority will use the AA value when calculating the overall cost per mile.

Cost of Capital

7.3 The value used represents the loss of income from the owner having money tied up in a vehicle, which could otherwise be earning money in a deposit account.

7.4 The AA calculation of the cost of capital may vary each year. The Licensing Authority will use the AA value when calculating the overall cost per mile.

Annual Cost of Insurance

7.5 The value used by the AA is a UK average for a fully comprehensive policy with 60 per cent no-claims discount.

7.6 The AA's calculation of the cost of insurance may vary each year. The Licensing Authority will use the AA value when calculating the overall cost per mile.

Cost of Road Tax

- 7.7 A diesel vehicle falling within the £26,000 to £36,000 bracket generally falls within Band J for vehicles with a CO2 emission of 186-200g/km for the purposes of road tax.
- 7.8 The Licensing Authority will use the cost of road tax based on the current cost of a vehicle falling within Band J.

The Average Cost of Breakdown Cover

- 7.9 The AA calculation of the average cost of breakdown cover may vary each year.
- 7.10 The Licensing Authority will use the AA value when calculating the overall cost per mile.

8.0 Running Costs

The Average Cost of Fuel per Litre

- 8.1 The AA uses values based on the national average fuel cost per litre. The Licensing Authority use the values from the latest AA fuel price reports.
- 8.2 The Licensing Authority recognises that fuel prices often change throughout the year. It is not practical to recalculate the running costs of a taxi each time the fuel costs increase or decrease. Therefore, in addition to the average cost of diesel we will include an additional 5 pence per litre to allow for any upward changes to the cost of fuel that may occur during the year.

Cost of Replacement Tyres

- 8.3 The AA quotes the average tyre life at approximately 27,000 miles. The AA bases the tyre prices on online tyre dealer prices and not main dealer prices, which will inevitably be higher.
- 8.4 The Licensing Authority will multiply the AA's cost per mile by the annual average mileage completed by a licensed taxi in Woking to obtain the overall cost per mile in relation to tyres.

Service Labour Costs

- 8.5 The Service Labour costs cover normal servicing and parts replacement taking UK average labour rates.
- 8.6 The Licensing Authority will multiply the AA's cost per mile by the annual average mileage completed by a licensed taxi in Woking to obtain the overall cost per mile in relation to service labour.

Cost of Replacement Parts

- 8.7 Replacement parts are items that may require replacement through normal driving conditions such as brake materials, oils, filters, bulbs, wipers etc.
- 8.8 The Licensing Authority will multiply the AA's quoted cost per mile by the annual average mileage completed by a licensed taxi in Woking to obtain the overall cost per mile in relation to service labour.

Cost of Parking and Tolls

- 8.9 Responses from the taxi trade to previous consultation indicated that drivers incur parking charges when they take passengers to the airports. Therefore, The Licensing Authority will include this factor.

8.10 The Licensing Authority will multiply the AA's cost per mile by the annual average mileage completed by a licensed taxi in Woking to obtain the overall cost per mile for parking and tolls.

9.0 Additional Costs

9.1 The Licensing Authority will use the below additional costs associated with operating a taxi in Woking.

Average Annual Salary (Median)

9.2 The Licensing Authority will include an appropriate level of remuneration for taxi drivers that is relevant to Woking. The Council uses the most recent information published by the Office for National Statistics in its Annual Survey of Hours and Earnings (ASHE) in relation to Woking.

9.3 The Licensing Authority will use the median value of the following data tables:

- place of Work by Local Authority
- place of Residence by Local Authority
- place of Work by Parliamentary Constituency
- place of Residence by parliamentary constituency

9.4 The Licensing Authority will use the median value of the four data sets to calculate the median annual gross salary for Woking. We use the median rather than the mean because outliers at the extremes of the data set do not influence it, which can often be the case when calculating income data for a group of people.

9.5 The value of the average salary is variable and we will identify this as item A and Item 1 on the fare calculator.

Annual Fees

9.6 The Licensing Authority will also include the following variable annual costs associated with running a taxi in Woking:

- the cost of the annual vehicle licence and vehicle test fees. We identify this as Item D on the fare calculator.
- the cost of the annual driver's licence fee. We use the pro-rata annual rate and identify this as Item H on the fare calculator.
- the cost of the annual Woking Railway Station Taxi Rank permit. We identify this as Item G on the fare calculator.

BTEC Policy Costs

9.7 Woking Council Licensing Policy requires existing drivers to complete a BTEC qualification. Research from BTEC providers indicates that the typical cost of this qualification is £350. A contribution of £117 per year for the next 3 years is therefore included in the calculator to allow drivers to recover the cost of this qualification through taxi fares.

9.8 The value of these additional costs is included as item I in the calculator.

Taxi Roof Sign and Meter Costs

- 9.9 All taxis have to be equipped with a roof sign and meter. There is a one of cost of supplying a roof sign and meter, and the meter has to be adjusted annually to the current tariff.
- 9.10 Discussion with meter agents indicates that a roof sign costs £100, and a meter £400. An annual tariff change costs £10. Over a 10 year life of a vehicle these this is a cost of £60 per year.

Additional Insurance Costs

- 9.11 The Council acknowledges that driver's insurance premiums may be higher than average because of the 'hire and reward' element of driving a taxi. An additional allowance for this element will be included in the fare calculator.
- 9.12 The value of this additional cost is variable and we identify this as item C on the fare calculator.

The Cost of a Card Payment Device

- 9.13 The Licensing Authority has also introduced a requirement for all taxis to accept payment by credit/debit card. An allowance of £500 per year is included in the running costs to allow the trade to recover the cost of providing a device.

10.0 Calculations

- 10.1 The Licensing Authority will use the below calculations associated with operating a taxi in Woking.

The Average Annual Mileage (Mean)

- 10.2 The Licensing Authority uses the mean value of the annual number of miles travelled by each taxi driver when we calculate the cost per mile.
- 10.3 The value of the mean annual mileage is variable and we will identify this as item E on the fare calculator.
- 10.4 We obtain the annual number of miles travelled by each taxi by recording the odometer readings when the drivers present their vehicles for renewal and the mileage is recorded.
- 10.5 The Licensing Authority then divide the total number of miles travelled by all licensed taxis by the number of licensed taxi drivers to provide the mean annual mileage.

Dead Mileage (Mean)

- 10.6 Dead mileage is the number of miles travelled by a taxi without a fare paying passenger but excludes:
- the number of miles travelled by each driver to and from work
 - the number of miles travelled by each driver on private journeys
 - the number of travelled by each driver on unmetered journeys
- 10.7 The value of the dead mileage is variable and we identify this as item F2 on the fare calculator.

- 10.8 A number of factors prevent an exact calculation of dead mileage. If a taxi takes a customer from (A) to (B) and always returns empty to (A), the dead mileage will always be half of the total mileage. The factors are:
- taxis do not always return empty to the point of initial departure
 - taxis may travel with a customer from point A to point B and then from point B to point C thus not enduring any dead mileage
 - the taxi may be flagged down whilst returning empty to point A therefore the dead mileage will not always be the same distance as the initial paid mileage
 - taxis may operate by being pre-booked and this can reduce the amount of dead mileage for example from Point A to the taxi rank and then from the taxi rank to point B
 - taxi drivers use the vehicle travelling to and from work
 - some drivers use their taxi for personal journeys away from work
- 10.9 The Licensing Authority expresses the maximum level of dead mileage as a percentage of the overall mileage and we identify this at item F1 on the fare calculator.
- 10.10 If a taxi takes a customer from point A (the rank) to point B and the taxi always, returns to point A without a customer on board the dead mileage would be approximately 50 per cent of the total mileage. We therefore use 50 per cent as the starting point for the calculation.
- 10.11 It is however impossible to gauge an accurate measure of dead mileage due to the differing variables identified for each driver above.
- 10.12 Information supplied by HMRC shows that the level of dead mileage will vary between council areas and cannot therefore, be stated as a fixed percentage. HMRC is aware that taxi journeys carried out on contract such as home to school trips or pre-agreed fares to airports will not always be recorded on the taximeter and could appear to be dead mileage when in fact there is a fare paying passenger in the vehicle. HMRC also state that any travel to and from the taxi drivers place of work is not deemed to be dead mileage for the purposes of calculating tax liability. Both of these factors therefore reduce the amount of dead mileage that can be included in the overall calculation.
- 10.13 Previous consultation with taxi drivers provided information to show that dead mileage accounts for between 33 per cent and 50 per cent of the total mileage travelled by the taxi.
- 10.14 It is clear from information provided by HMRC, the taximeter agents and consultation responses that a number of factors will cause this initial percentage to reduce such as travel to and from work, private journeys and unmetered journeys.
- 10.15 An issue only arises in relation to mileage completed whilst travelling to and from work if the driver does not live within the Borough of Woking. A driver who is resident in Woking can ply for hire immediately within the district in which the driver is licensed. However, the driver who is not resident in Woking cannot ply for hire until the driver is within the Woking Borough Boundary. Therefore, any mileage travelled before entering Woking cannot be included in the dead mileage calculation.
- 10.16 None of the 2016, 2017, 2018 and 2019 consultations carried out by Guildford provided sufficient evidence to identify the exact amount of dead mileage travelled by taxis in their area. The rate of dead miles was set at 45% for fare reviews in 2013, 2015, 2016, 2018 and 2019

and the consultation responses do not provide any evidence in order to justify any changes to this figure.

Average Live Mileage (Mean)

10.17 The average live mileage is the number of miles travelled by a taxi with a fare-paying passenger. We calculate the average live mileage by subtracting the dead mileage from the total mileage.

10.18 The value of the average live mileage is variable and we will identify this as item 4 on the fare calculator.

Typical Distance per Journey (Mean)

10.19 Information obtained through consultation with the taxi trade shows that each licensed taxi typically travels a distance of 2 to 3 miles per journey.

10.20 The Licensing Authority will therefore use the mean value of 2.5 miles for the typical distance travelled for each journey.

10.21 The value of the typical distance is variable and the Licensing Authority will identify this as item J on the fare calculator.

Average Number of Journeys (Mean)

10.22 The Licensing Authority will calculate the mean number of journeys travelled in a year by a taxi in Woking by dividing the average live mileage by the average distance per journey.

10.23 The value of the average number of journeys is variable and the Licensing Authority will identify this as Item K on the fare calculator.

Calculation of Total Cost per Mile

10.24 The Licensing Authority then calculate the total cost per mile by dividing the total of the standing charges and running costs by the average annual mileage.

10.25 The value of the total cost per mile is variable and the Licensing Authority will identify this as item B on the fare calculator.

Calculation of the Fare Charged per Mile

10.26 The Licensing Authority then use the taxi fare calculator at Appendix 2 to determine the charge for each distance unit.

Total Cost per Mile

10.27 The Licensing Authority uses the values of each factor set out above to calculate the cost per mile of running a taxi in Woking (Item 5 on the calculator). The formula is set out below:

To calculate the average running costs (Item 2 on the calculator) the Licensing Authority:

- Multiply the cost per mile of running a diesel car (Item B on the calculator) by the annual average mileage of a Woking taxi (Item E on the calculator)

and add

- Items C, D, G, H and I

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To calculate the total running costs (Item 3 on the calculator) the Licensing Authority add the annual salary (Item 1 on the calculator) to the average running costs (Item 2 on the calculator).

To calculate the cost per mile (Item 5 on the Calculator) the Licensing Authority divide the total running costs (Item 3 on the Calculator) by the average live mileage total (Item 4 on the calculator)

Total Charge per Mile

10.28 The Licensing Authority identify the total charge per mile as Items 6(a) and 6(b) on the fare calculator.

10.29 The fare for each journey will always include a fixed cost for an initial distance. This is the 'flag drop' (see 38.0 below).

10.30 The Licensing Authority prevent the flag drop from artificially exaggerating the cost per mile when setting the total that charge per mile. The Licensing Authority achieve this by using the following calculation:

- subtract the average number of journeys (Item K on the Calculator) multiplied by the 'flag drop' (Items T1, T2, T3 and T4 on the Calculator) from the total running costs (Item 3 on the Calculator) and then
- divide this figure by the average live mileage (Item 4 on the Calculator) to give the Total Charge per Mile (Items 6(a) and 6(b) on the Calculator)

The Unit Charge

10.31 The unit charge is the cost to travel each distance unit or part of each unit. It can be any value as long as it is a multiple of 10 pence. The Licensing Authority identify this as Items N, 7(a) and 7(b) on the fare calculator.

Calculation of the Distance Unit

10.32 The distance unit is the number of yards travelled for each unit charge. The Licensing Authority identify the distance unit as Item L on the fare calculator.

10.33 The Licensing Authority calculate the distance unit by dividing 1760 yards (1 mile) by the total charge per mile (Item 6 on the Calculator) and then multiplying by the unit charge (Item N on the Calculator).

Calculation of Distance Units per Mile

10.34 The Licensing Authority identify the number of distance units per mile as Item M on the fare calculator.

10.35 The Licensing Authority calculate the number of distance units per mile by dividing 1760 (1 mile) by the unit distance.

Calculation of Charge by Time per Unit

10.36 The Licensing Authority calculate the charge by time per unit by dividing 5 minutes and 10 seconds by the number of units per mile (Item M on the fare calculator).

10.37 The Licensing Authority identify the charge by time per unit as Items 8(a) and 8(b) on the fare calculator.

11.0 Table of Fares / Fixed Costs

11.1 The Fare Chart sets out some non-variable fees for Flag Drop and Extras which are set out and explained below.

Flag Drop

11.2 The 'flag drop' is the fixed cost that can be charged for an initial distance. It is universal in its application and is included in the cost of all journeys. It offers the taxi driver a minimum return for every journey. In the absence of a flag drop, all journeys would start at zero.

11.3 The flag drop encourages the supply of journeys that cover a short distance. If the cost is set too high, it can discourage overall demand for taxis and must be set at an appropriate level.

11.4 The Licensing Authority take relevant local factors into account when setting the flag drop and any decision on changing the flag drop will be taken by the Lead Councillor, in consultation with the Legal Services Manager.

11.5 The Licensing Authority identify the flag drops as Items T1 to T4 and 8(b) on the fare calculator.

Extras

11.6 In addition to the charge per mile, the Licensing Authority will apply an extra charge for each passenger carried in excess of two. We base this on current practice and local circumstances and this assists the drivers of larger vehicles, which have a lower fuel economy. These vehicles are predominantly wheelchair accessible so the Licensing Authority set this extra charge to provide an incentive for such vehicles to remain licensed. We identify this extra charge as Item 9 on the fare calculator.

11.7 The soiling charge is necessary to enable proprietors or drivers to recover the costs of cleaning the vehicle. The Licensing Authority set the extra charge to reflect current costs. The Licensing Authority identify this extra charge as Item 10 on the fare calculator.

12.0 Corporate Strategy

12.1 The Council's statutory responsibilities contribute to promoting a strong and vibrant economy and the protection of the local and travelling public.

13.0 Implications

Finance and Risk

13.1 Hackney Carriage fees and fares can be challenged and judicially reviewed in the Magistrates' Court under the Local Government (Miscellaneous Provisions) Act 1976 and so it is important to make sure that the fees and fares set by the Licensing Authority in Woking are comprehensive.

Equalities and Human Resources

13.2 None arising from this report.

Legal

13.3 The Council is the licensing authority for the purposes of the Licensing Act 2003, the Local Government (Miscellaneous Provisions) Act 1976 and the Policing and Crime Act 2017 for matters such as Premises Licences and Taxi and Private Hire.

14.0 Engagement and Consultation

- 14.1 An informal preliminary consultation was carried out with emails sent to 220 drivers on 19 April 2022. A total of five responses were received, all of which were in agreement with the suggested changes and some responses indicated a need for the changes to be dealt with as a matter of priority.
- 14.2 As part of the legislative requirements, a full Consultation with the licensed trade is required, which would include an advert in a local newspaper, before the finalised amounts can be agreed under delegated authority by the Head of Legal Services in consultation with the Licensing Portfolio Holder under the proposals set out in this report.

REPORT ENDS

Appendix 1 – Taxi Fares Calculator

Taxi Fares Calculator

ITEM	Average Running Costs Per Vehicle	Flag Drop	ITEM	Enter Annual Values in the Pink Boxes				
1	Average Annual Salary (Equals Item A)	Item 1	T1	3.00	A	Average Annual Salary	Item A	
2	Average Running Costs Items (B X E)+ (C + D + G + H + I)	Item 2	T2	3.50	B	Costs of Running Diesel Car (per mile)	Item B	
3	Total Running Costs (Item 1 + Item 2)	Item 3	T3	6.00	C	Additional Allowance for Insurance	Item C	
4	Average Live Mileage (Item E - Item F)	Item 4	T4	4.00	D	Annual cost of Hackney Carriage Licence	Item D	
5	Cost per mile Item 3 ÷ Item 4	Item 5			E	Annual Average Mileage	Item E	
6	Total Charge per Mile Item 3 - (Item K x Item T1) ÷ Item 4	Item 6(a)	Item 6(b)		F	Dead Mileage Item F1 %	Item F2	
	Charge for each distance unit is:	Tariff 1	Tariff 2		G	Annual Station Rank Fee	Item G	
7	Item L yards = (Item 6 ÷ Units per Mile)	Item 7(a)	pence	Item 7(b)	H	Annual Cost of Driver's Licence (Pro-Rata)	Item H	
8	Charge for time per unit	Item 8(a)	Seconds	Item 8(b)	I	Average Cost to Use Radio Circuit	Item I	
9	Each passenger in excess of one	Item 9			J	Typical Journey Distance (Miles)	Item J	
10	Soiling charge	Item 10			K	Average number of journeys	Item K	
					L	Distance Unit = Unit Charge X (1760/charge per mile)	Item L	Yards
					M	Units per mile (1760 / Unit Distance)	Item M	
					N	Charge Per Unit	Item N	Pence

Appendix 2 – Hackney Carriage Fare Chart

HACKNEY CARRIAGE FARE CHART effective (Date TBC) FARES FOR DISTANCE & TIME

All distance and time charges include uncompleted parts thereof.

Tariff 1: DAYTIME RATES: (except where rates 2 or 3 apply)		Tariff 2: NIGHT AND HOLIDAY RATE:		Tariff 3: DOUBLE DAYTIME RATE:		4. EXTRA CHARGES:	
Rate per mile: Item 6(a) after first mile		Rate per Mile: Item 6(b) after first mile		Rate per Mile: Double Item 6(a) after first mile			
HIRINGS BETWEEN 7am and 11pm		HIRINGS BETWEEN 11PM AND 7AM AND NATIONAL PUBLIC HOLIDAYS (except where Double Day Rate applies)		HIRINGS BETWEEN:			
£ Item T1 (Mon – Sat)	Maximum charge up to (Item L) yards or Item 8(a) seconds	£ Item T2 (Mon-Sun)	Maximum charge up to (Item L) yards or Item 8(b) seconds	1) 11pm on Christmas Eve and 5am on 27 December; and 2) 11pm on 31 December and 7am on 1 January	For each passenger in excess of One:	Item 9 (pence)	
£ Item T4 (Sun)		Item 7(a) (pence)				For each additional (Item L) yards or Item 8(a) seconds.	Item 7(b) (pence)

ALL LUGGAGE CARRIED INSIDE OR OUTSIDE THE PASSENGER COMPARTMENT IS FREE OF CHARGE.

IMPORTANT

If the journey takes the taxi outside the Guildford Borough area, the driver MUST still charge in accordance with the above scale unless he/she has agreed otherwise with the hirer before the journey has started. These are the maximum fares chargeable.

COMPLAINTS

Appendix 3 – Woking Figure Estimations

Item	Estimated Figure	How its calculated
Annual average salary for Woking (based on ONS stats)	£35,176.25	Median average for Full time workers from ONS ASHE for those working and living in Woking as a parliamentary area and those living and working in Woking as a geographical area.
Estimated average annual mileage for a Woking taxi	20,363 miles	Calculated by looking at annual mileage of all HCV over the last three to five years, median of all results
The amount of mileage without a fare paying passenger (based on Dead Mileage Rate)	9,163 miles	Dead mileage is worked out at 45% of the Estimated annual mileage
The amount of mileage with a fare paying passenger	11,200 miles	Based on removing the 45% dead mileage we then get the distance travelled with a fare paying passenger.
The average mileage travelled for each fare paying journey in Woking	2.5 miles	Based on Guildford estimations and the number agreed with by the trade following consultation
The average number of journeys travelled with a fare paying passenger	4,480	Mileage with a fare paying passenger divided by average mileage per journey
Dead mileage* rate	45%	As per the report.
Annual vehicle depreciation (based on AA stats)	£3692.35	Based on AA states (as per the report)
Cost of capital	£592.22	As per the report.
Annual cost of insurance	£1157.92	As per the report.
Cost of Road Tax	£190	As per national figures.
Average breakdown cover	£54.73	As per the report.

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Average cost of fuel per litre over past 12 months, plus an additional 5 pence	161.61 pence	As per the report and national figures.
Annual cost of tyres (based on AA Stats in conjunction with estimated annual mileage)	£513.16	As per the report.
Annual service labour costs	£568.89	As per the report.
Annual cost of replacement parts	£759.29	As per the report.
Annual cost of parking and tolls	£508.52	As per the report.
Annual station rank permit	£1145	As per information received from Adele Richards, Ancillary Revenue Executive at South Western Railway, April 2022
Annual Hackney Carriage Licence fee	£190	As per WBC fees and charges.
Vehicle test fees	£100 (£50 x 2)	Vehicle tests are around £50 and mandatory twice a year for Hackney Carriages
Driver Licence fee (pro rata)	£87	£260 for a three year licence divided by three
Cost of providing a roof sign and meter (over a ten year period)	£60	As per information from drivers.
Cost of card payment terminal (per year)	£500	As per information from drivers.

It should be noted that these figures are done as a rough investigation into the amounts. The consultation that is required for the next step would allow drivers to review these amounts and make comments if they feel they are inaccurate or need amending in any way.

Proposed new Taxi Fare Chart rates using above estimated figures.

Woking Hackney Carriage Fares Calculator 2022

ITEM	Average Running Costs Per Vehicle	Flag Drop	ITEM	Enter Variable Data in Pink Boxes on this sheet and "Calc for running costs"
1	Annual Salary (A) £35,176.25	T1 3.00	A	Average Salary £35,176.25
2	Average Running Costs (B X E)+ (C + D + G + H + I) £13,547.41	T2 3.50	B	Costs of Running Diesel Car (per mile) £0.45 (From "Calc for running costs")
3	Total Running Costs (1 + 2) £48,723.66	T3 6.00	C	Additional Allowance for Insurance £500.00
4	Average Live Mileage (E - F) 12,771.00	T4 4.00	D	Annual cost of Hackney Carriage Licence £343.74
5	Cost per mile 3 ÷ 4 £3.82		E	Annual Average Mileage 23,220.00
6	Total Charge per Mile (3 - K x T1) ÷ 4 £2.62	£3.92	F	Dead Mileage 45% 10,449
	Charge for each Distance Unit is: (incorporating flag drop)		G	Annual Station Rank Fee £1,038.00
	135 yards (L) = 20.00 pence	30.00	H	Annual Cost of Driver's Licence (Pro-Rata) £127.85
7	Round to nearest 10 pence 20 pence	30	I	Average annual cost of BTEC, Roof Sign and Meter £1,010.00
	Rounded Charge per Mile £2.60	£3.90	J	Average Journey Distance (Miles) 2.5
	Charge for time per unit 24	24	K	Average number of journeys 5108.40
	Charge for time. One mile or 5 minutes and 10 seconds	5 10	L	Distance unit = Unit charge x (1760/charge per mile) 135 yards
	Date fare chart effective from Day 13 Month July Year 2019		M	Units per mile (1760/Unit Distance) 13.08
			N	Charge per unit (input values from 7) 20.00 pence
			O	For each passenger in excess of one (pence) 50 pence
			P	Soiling the carriage leaving it unfit (pounds) £100

Version 2 Last Verified July 2015

WOKING BOROUGH HACKNEY CARRIAGE FARE CHART effective 13 July 2019

FARES FOR DISTANCE & TIME

All distance and time charges include uncompleted parts thereof.

Tariff 1: DAYTIME RATES: (except where rates 2 or 3 apply)	Tariff 2: NIGHT AND HOLIDAY RATE:	Tariff 3: DOUBLE DAYTIME RATE:	4. EXTRA CHARGES:
Rate for the first mile: £5.42 Mon - Sat and £6.42 Sun	Rate for the first mile: £7.12	Rate for the first mile: £10.83	
Rate for each mile thereafter: £2.62	Rate for each mile thereafter: £3.92	Rate for each mile thereafter: £5.24	
HIRINGS BETWEEN 7am and 11pm	HIRINGS BETWEEN 11PM AND 7AM AND NATIONAL PUBLIC HOLIDAYS (except where Double Day Rate applies)	HIRINGS BETWEEN:	
£3.00 (Mon - Sat)	£3.50 (Mon-Sun)	1) 11pm on Christmas Eve and 5am on 27 December; and 2) 11pm on 31 December and 7am on 1 January	For each passenger in excess of One: 50p
£4.00 (Sun)			
20p	30p		Soiling the carriage leaving it unfit for immediate subs hiring: £100

ALL LUGGAGE CARRIED INSIDE OR OUTSIDE THE PASSENGER COMPARTMENT IS FREE OF CHARGE. ANY ASSISTANCE DOG IS CARRIED FREE OF CHARGE. PAYMENT BY CREDIT/DEBIT CARD IS FREE OF CHARGE.

IMPORTANT

If the journey takes the taxi outside the Woking Borough area, the driver MUST still charge in accordance with the above scale unless he/she has agreed otherwise with the hirer before the journey has started. **These are the maximum fares chargeable.**

COMPLAINTS

Any complaints about a taxi or driver should be directed to: Licensing Team, Woking Borough Council, Gloucester Square, Woking, GU21 6YL or (01483) 755855, licensing@woking.gov.uk; quoting, if possible, the taxi plate number and/or the driver's badge number.

In order to see how this would benefit drivers, we have created a comparison of fare rates (based on mileage alone, not time) which shows how the increase would be calculated.

Below is a chart showing the old rate (for daytime and night-time) and the proposed new rate (for daytime and night-time) so that Councillors can see how this would increase the maximum charge drivers can make per mile.

Miles	Current Rate		New proposed Rate	
	Daytime	Nighttime	Daytime	Nighttime
1	£4.60	£6.25	£5.60	£7.40
2	£6.70	£9.40	£8.20	£11.30
3	£8.50	£12.10	£10.80	£15.20
4	£10.30	£14.80	£13.40	£19.10
5	£12.10	£17.50	£16.00	£23.00
10	£22.90	£33.70	£29.00	£42.50
15	£33.40	£49.45	£42.00	£62.00
20	£43.90	£65.20	£55.00	£81.50
25	£54.40	£80.95	£68.00	£101.00
50	£107.20	£160.15	£133.20	£198.80
100	£212.80	£318.55	£263.60	£394.40

Each month, Private Hire Trade Magazine (PHTM) provides a list of all Authorities in the UK with the amount their licenced Taxis charge for a two mile journey.

Currently Woking is 188th in the Country (out of 355 Authorities) which shows that nationally, our fares are lower than they should be for the area.

When you compare this with the other Authorities in Surrey you can see the difference.

Local Authority	Fare (2 Mile)	Ranking
Guildford Borough Council	£10.00	2nd
Epsom and Ewell Borough Council	£9.80	3rd
Surrey Heath Borough Council	£7.80	28th
Waverley Borough Council	£7.80	29th
Reigate and Banstead Borough Council	£7.20	66th
Mole Valley District Council	£7.10	77th
Runnymede Borough Council	£7.10	81st
Woking Borough Council	£6.40	188th

Review of Taxi Fares

Spelthorne Borough Council	£6.20	221st
Elmbridge Borough Council	£6.10	235th
Tandridge District Council	£5.90	271st

As can be seen, the fares for the Surrey Authorities vary considerably, but the average sits around £7.40. Woking is currently below average.

An increase under the proposed fare chart would take the cost for a two mile journey up to around £8.00-£8.20, which would be above the average but put us around the 11th to 23rd place in the Country (Rank 11 to 15 on the list are all £8.20, 15 to 23 are £8.00).

However this is just an example and should not be the basis for the decision. The requirement is to set the fare chart in accordance with drivers outgoing costs, which the method laid out in the report and in the appendices shows that we have done so.