

Meeting: Cabinet

Date: 20 August 2024

Wards affected: All

Report Title: Hackney Carriage Tariff Increase

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Director Contact Details: Joanna Williams, Director of Adults and Community Services, jo.williams@torbay.gov.uk

1. Purpose of Report

- 1.1 For the Cabinet to consider the review of the Taxi Table of Fares (Taxi Tariff), following a request to increase the Hackney Carriage fare tariff in Torbay from the Torbay Licensed Taxi Association (TLTA).
- 1.2 For Cabinet to determine whether to accept the proposal detailed in the following report and send the proposal out for consultation as set out in the prescribed process under section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.3 Following a review of process and obtaining specialist legal advice, it has been determined that the setting of the Table of Fares (Tariff) is an executive function of the Council. Therefore, this review and any future reviews, are to be considered by Cabinet Members.

2. Reason for Proposal and its benefits

- 2.1 The Local Government (Miscellaneous Provisions) Act 1976, allows the Council to set the maximum level of charges to be levied by all Hackney Carriages operating under its control. The Council does not have powers to set fares for journeys in private hire vehicles.
- 2.2 The Tariff was last reviewed in March 2022 by the Licensing Committee. Prior to this the Tariff had been updated in October 2019.
- 2.3 A letter was received from the TLTA requesting that an increase be considered (Appendix 1). The TLTA have advised that they currently represent 90 licensed drivers from the Hackney Carriage trade.

- 2.4 The Table of Fares (Tariff) should be set to enable sustainable income for drivers, future investment in vehicles and to clearly set rates that minimise the opportunity for overcharging or confusion.

3. Recommendation(s) / Proposed Decision

1. That the Cabinet consider approving one of the following options:
 - i) Option 1: The proposed amendments to the Tariff as set out in the submitted report be approved and the Director of Adults and Community Services be instructed to carry out the public consultation as set out in the prescribed process under section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
 - ii) Option 2: That the proposed amendments to the Tariff as set out in the submitted report be amended and the Director of Adults and Community Services be instructed to carry out the public consultation as set out in the prescribed process under section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
 - iii) Option 3: That the proposed amendments to the Tariff as set out in the submitted report be rejected.

Appendices

Appendix 1: Letter from TLTA requesting increase.

Appendix 2: Proposed Table of Fares (Tariff)

Appendix 3: Current Table of Fares (Tariff)

Appendix 4: Tariff setting methodology.

Appendix 5: Current Running Costs per Mile Calculations

Appendix 6: Table to show the proposed increase in costs to the travelling public for journeys up to 10 miles.

Appendix 7: AA Motoring Costs 2014

Background Documents

None

1. Introduction

- 1.1 The common term for Hackney Carriages is 'taxis' and this term is used throughout this report. A customer can flag down a taxi in the street or at taxi ranks without booking unlike private hire vehicles that must always be booked in advance of the journey.
- 1.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA76), allows the Council to set the maximum costs and fares that drivers may charge the public for journeys taken in a taxi. The Council does not have powers to set fares for journeys in private hire vehicles. Members should note that drivers may charge a lower fare or offer a discount if they wish and negotiate fares for travel outside of the district boundaries.
- 1.3 Taxi fares are made up of an initial hiring charge (flag fall) and a mileage rate, both of which are expressed in terms of distance and or time. This is because when a hired taxi is stationary or moving at less than 6mph in traffic the meter continues charging by time instead of distance. It can never charge both time and distance at the same time.
- 1.4 The Table of Fares (Tariff) should be set to enable sustainable income for drivers, future investment in vehicles, and to clearly set rates that minimise the opportunity for overcharging or confusion.
- 1.5 The Tariff has to be displayed within all taxis to allow passengers to calculate the approximate cost of their journey. Section 4 of Torbay Council's Hackney Carriage Byelaws requires taximeters to be fitted in every licensed hackney carriage vehicle, which are calibrated and sealed. Once set, all drivers must display the maximum fare on their taximeter. This ensures consistency across all taxis and provides public confidence that the fare they are charged is correct.
- 1.6 In accordance with the statutory procedure set out in Section 65 of the LGMPA76, should Members agree the proposed changes to the Tariff, the Council must then undertake a public consultation prior to making any amendment to the Tariff. A notice must be published in at least one local newspaper circulating in the areas setting out the variation and specifying the period, which cannot be less than 14 days from the date of the first publication of the notice, within which and the manner in which, objections can be made. If no objections to the variation of the Tariff are received, or if all objections are withdrawn, the revised Tariff will come into operation on the date of the expiration of the consultation period. However, if any objections are made and not withdrawn, the Committee will consider the objections and set a further date, not later than two months after the first specified date, on which the tariff shall come into force with or without further modifications.

- 1.7 Since the last review, the consumer price index (CPI), which represents inflation through the change in the cost of living, has remained high. Inflation has fallen significantly since it reached 11.1% in October 2022, which was the highest rate for 40 years. However, the prices aren't falling, they are just rising less quickly. Inflation has remained above the Bank of England's 2% target partly because of high energy and food prices.

The most recent information obtained from the Office of National Statistics ([Consumer price inflation, UK - Office for National Statistics](#)) shows that:

- The CPI rose by 10.5% in the 12 months to December 2022, down from 10.7% in November 2022
- The CPI rose by 4% in the 12 months to December 2023, up from 3.9% in November 2023
- The CPI rose by 3.2% in the 12 months to March 2024, down from 3.4% from February 2024
- On a monthly basis, CPI rose by 0.6% in March 2024, compared to a rise of 0.8% in March 2023.
- The largest increase came from motor fuels, with prices rising this year but falling a year ago.

The price of fuel peaked in June 2022 at 191.1 for Petrol and 198.96 pence per litre of diesel but has reduced to its current price of 149 for petrol and 155.7 for diesel ([UK pump prices over time \(racfoundation.org\)](#)). At the time of the last tariff review, the prices on 21 March 2022 were 167.03 pence per litre for petrol and 178.97 for diesel. Therefore, the price has reduced by 18.03 pence per litre of petrol and 23.27 pence per litre of diesel. Based on a 47-litre tank, this is a saving of £8.60 a tank for petrol and £10.93 for diesel.

- 1.8 The drivers of inflation such as energy, fuel, food and consumer goods along with the impact on the economy from world events such as the Covid-19 pandemic and the world conflicts have continued to hit all business sectors hard, not least the taxi trade. In addition, direct overheads, such as vehicle replacement, servicing and insurance are also significant cost factors for the trade. The general hospitality and evening and night-time economy trade has also not fully recovered since the pandemic due to the cost-of-living crisis and the ongoing impact that the trade will experience financially is uncertain.
- 1.9 To assist for future tariff reviews, Licensing Officers have reviewed a number of different methodologies used throughout the country. A method has been devised that can be used to determine whether any fare increase is necessary and balanced. Any methodology agreed will need to be kept under review and updated as the sources of information change.

The proposed methodology shown in Appendix 4, has been used to provide a transparent process for calculating taxi fares and seeks to measure the true costs of providing taxis and the 'cost per mile' figure necessary to safeguard the sustainability for this valuable public service. The information provided in this document is supported by factual evidence. If statistical data is not available, the calculations are based on reasoned argument. Appendix 5 shows the calculations for the current running costs per mile.

2. Options under consideration

- 2.1 The proposed tariff is set out in Appendix 2. The current tariff can be found in Appendix 3.
- 2.2 Using the fee setting methodology shown in Appendix 4 and the calculations shown in Appendix 5, it can be seen that the current cost to operate a taxi in Torbay is calculated at £1.79 per mile. This is the basic cost to run a taxi, it only includes the earnable mileage so does not account for the dead mileage (when travelling to or returning from a fare).
- 2.3 Under the current Tariff 1, the running mile or any extras applied is set at £2.21 per mile. This does not include the initial charge (flag fall), any extras or waiting times. The proposed uplift would see the running mile costs rise to £2.40.
- 2.4 The proposed tariff by the TLTA, takes into account the cost of living and inflation and applies an average uplift to the Tariff 1 of an average of 8% and an average uplift of 7% for Tariff 2.
- 2.5 With the proposed uplifts, the flag fall (initial charge) would rise to the following costs:

	Current	Proposed
Tariff 1	£3.60	£3.90
Tariff 2	£4.00	£4.50

Distance rates will change to:

	Pence per applicable distance
Tariff 1	£0.20
Tariff 2	£0.25

- 2.6 For members ease the table shown in Appendix 6 shows the current cost per part/full mile to the travelling public and the proposed costs should an average 8% uplift be applied to Tariff 1 and an average 7% to Tariff 2. The figures do not take into account waiting time or any extras that maybe charged.

2.7 **Extra Charges**

The TLTA have requested an increase to the soiling charge from £50 to £75. The Local Authority has also included the following additional charge:

Additional £1.50 charge for each uncaged animal except guide, hearing or other assistance dogs

We have included this charge as we have received a number of complaints that drivers refuse to take animals due to the potential additional cleaning afterwards. Drivers are not required to take animals unless they are guide, hearing or other assistance dogs, however it is hoped that this additional charge will be an incentive for them to do so.

3. National and Regional Context

3.1 National Context

The Private Hire and Taxi Monthly trade magazine publish a league table of all Local Authority Hackney Carriage Tariff 1 Fare Tables [Hackney Taxi Fare Tables \(phtm.co.uk\)](http://phtm.co.uk) which are updated on a daily basis. Out of the 340 local authorities that regulate taxi fares, as of 23 May 2024, Torbay is currently ranked 103 at £7.51 for 2 miles.

At the proposed £8.10 for 2 miles, Torbay would be 52nd with three other local authorities at the same rate, including Plymouth.

3.2 Regional Context

When comparing the proposed uplift to other Devon local authorities it can be seen that Torbay would rise to the highest with Plymouth in the rankings.

Local Authority	Proposed Tariff 1 (2 miles)
Torbay	£8.10
Plymouth City Council	£8.10
Torridge	£8.00
South Hams/West Devon District Council	£7.80
East Devon District Council	£7.68
Exeter City Council	£7.50
North Devon District Council	£7.30
Teignbridge District Council	£7.26
Mid Devon District Council	£6.80
Devon Average	£7.62

4. Conclusion

4.1 A balance needs to be struck between the legitimate right of the trade to a viable and sustainable livelihood and the needs of the travelling public to have a safe and affordable service. The cost-of-living crisis has hit the taxi trade hard most notably through the

escalating vehicle purchase, maintenance and fuel costs. These costs are no longer absorbed through the existing Tariff. If the fares are not increased on a regular basis in line with inflation, then many potential drivers will be discouraged from entering or staying in the trade, leading to a shortage of supply and a decline in the quality of the service.

- 4.2 The proposed Tariff increase is in line with the average CPI over the last two years and cost of living increases with an average overall rise of 8% for Tariff 1 and 7% for Tariff 2.
- 4.3 It is considered that the proposed uplift will assist those taxi drivers licensed through the Council to face the significant cost of living rises and support Torbay's taxi trade to make a viable living, therefore reducing the number of drivers leaving the trade for better remunerated work and encouraging consideration of investment in newer environmentally friendly vehicles.

5. Financial Opportunities and Implications

- 5.1 There are no financial risks to the Council by increasing the taxi tariff.

6. Legal Implications

- 6.1 The Council must ensure they follow the prescribed public consultation has outlined in this report to comply with section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

7. Engagement and Consultation

- 7.1 As outlined above, the Council is required to undertake a public consultation prior to making any amendment to the tariff. If no objections to the variation of the tariff are received, or if all objections are withdrawn, the revised Tariff will come into operation on the date of the expiration of the consultation period. However, if any objections are made and not withdrawn, the matter will return to Committee to consider the objections and set a further date, not later than two months after the first specified date, on which the Tariff shall come into force with or without further modifications.

8. Procurement Implications

- 8.1 There are no procurement implications.

9. Protecting our naturally inspiring Bay and tackling Climate Change

- 9.1 There are no negative carbon footprint or other environmental implications resulting from amending/uplifting the Taxi Tariff. The proposed uplift should encourage members of the trade to invest in cleaner more efficient vehicles.

10. Associated Risks

10.1 There are no significant risks.

11. Equality Impact Assessment

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	<p>18 per cent of Torbay residents are under 18 years old.</p> <p>55 per cent of Torbay residents are aged between 18 to 64 years old.</p> <p>27 per cent of Torbay residents are aged 65 and older.</p>	<p>These proposals are not intended to adversely impact on this client group. However, it is important to note that younger people may be disproportionately impacted as they may rely more on taxis for educational purposes. Older people may also be disproportionately impacted due to their increased reliance on taxis and the door-to-door service they provide. Public transport, including taxis play a crucial role in helping people to stay connected and maintain independence when they are unable to drive, and are therefore of particular significance to older residents aged over 65 and to younger people who may not have access to a car. Aging is linked with reduction in personal car use and are therefore more reliant on taxis especially as it is a door-to-door service. The availability of public transport is also very important to all</p>	<p>There are grants available to support vulnerable groups to access transport. Low income families, children with a special need or medical condition or if a child's school is more than 2 miles away may also be eligible for school transport.</p>	N/A

		adults and parents who do not have a car for work and social activities.		
Carers	At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these provided 50 hours or more of care.	These proposals are not intended to impact on this client group. However carers are more likely to experience deprivation and therefore any rise in costs will have an impact.	Carers may be able to access funding to support transport costs.	N/A
Disability	In the 2021 Census, 23.8% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	<p>These proposals are not intended to adversely impact on this client group. However, they may be disproportionately impacted due to their reliance on taxis and the door-to-door service they provide.</p> <p>The Council have a register of all wheel chair accessible vehicles at Helping disabled passengers - Torbay Council</p> <p>All licensed vehicles must also carry assistance dogs.</p>	<p>There may be grants available to support vulnerable groups to access transport.</p> <p>Any discriminatory complaints received are fully investigated.</p>	Licensing Officers and Police Officers
Gender reassignment	In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth. This proportion is similar to the Southwest and is lower than England.	These proposals are not intended to impact on this client group. These proposals are not intended to impact on this client group. The Department for Transport (DfT) FS13 report highlights how discrimination is part of daily life for trans people and generates 'behaviours of avoidance', particularly to using public transport. This group tend to use taxis and private hire vehicles instead of other means of public transport and therefore may be	Any discriminatory complaints received are fully investigated	Licensing Officers and Police Officers

		more adversely impacted by any increase in fares.		
Marriage and civil partnership	Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	These proposals are not intended to impact on this client group	Any discriminatory complaints received are fully investigated	Licensing Officers and Police Officers
Pregnancy and maternity	Over the period 2010 to 2021, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 63.7 per 1,000) than England (60.2) and the South West (58.4). There has been a notable fall in the numbers of live births since the middle of the last decade across all geographical areas.	These proposals are not intended to impact on this client group. The DFT FS13 report identified that public transport plays a vital role in supporting social inclusion for many parents with young children and therefore they may be more adversely impacted by any increase in fares.	Any discriminatory complaints received are fully investigated	Licensing Officers and Police Officers
Race	In the 2021 Census, 96.1% of Torbay residents described their ethnicity as white. This is a higher proportion than the South West and England. Black, Asian and minority ethnic individuals are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.	These proposals are not intended to impact on this client group, however, the DFT FS13 report identifies that 'people from BAME background are less likely to have access to a private vehicle, be more reliant on public transport to access employment. Furthermore 'for many people from a BAME background having regular, affordable, clean and efficient transport is essential'. There is also evidence that individuals from a minority background are more likely to	Any discriminatory complaints received are fully investigated	Licensing Officers and Police Officers

		experience poverty and therefore any increase in fares will have an impact.		
Religion and belief	64.8% of Torbay residents who stated that they have a religion in the 2021 census.	These proposals are not intended to impact on this client group, however the DFT FS13 report identifies that certain groups of people, face an increasing risk of being victims of religious hate crime. For people who have a marked religious identity through clothing there is a heightened risk for harassment or discrimination. It is reported that this is particularly true for women who are already more vulnerable regardless of the way they dress. Therefore, any increase in fares will have an impact.	Any discriminatory complaints received are fully investigated	Licensing Officers and Police Officers
Sex	51.3% of Torbay's population are female and 48.7% are male	<p>These proposals are not intended to impact on this client group, however females are more likely to experience poverty and are more likely to use taxis and other public transport.</p> <p>The DFT FS13 report identifies that 'as women are more likely than men to live on low incomes, work part time and undertake paid work in the home and in the community, such as being carers for dependent relatives, poor quality unreliable and expensive transport has a far bigger impact on the lives of women'. The report also identified that women may not have access to a car during the day as they 'either cannot afford one or the family car is being used by a partner'.</p>	Any discriminatory complaints received are fully investigated	Licensing Officers and Police Officers

		<p>The F13 report also identifies women make greater use of taxi's than men, increasing with age, where women over 70 make double the amount of trips than men.</p> <p>Any increase in fares may encourage more females to risk walking home at night or using unlicensed vehicles.</p>		
Sexual orientation	<p>In the 2021 Census, 3.4% of those in Torbay aged over 16 identified their sexuality as either Lesbian, Gay, Bisexual or, used another term to describe their sexual orientation.</p>	<p>These proposals are not intended to impact on this client group. However, the DFT FS13 report identifies that safety and security (and perceptions of them) are key for lesbian, gay and bisexual people and may influence how they choose or prefer to travel. It also says that a 2018 LGBT survey pointed to public transport as the most common place where respondents avoided being open about their sexual orientation and that it may even be avoided altogether. Therefore, they may use taxis more than other forms of transport so may be adversely impacted by any rise.</p>	<p>Any discriminatory complaints received are fully investigated</p>	<p>Licensing Officers and Police Officers</p>
Veterans	<p>In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. In Torbay, 5.9 per cent of the population have previously serviced in the UK armed forces.</p>	<p>These proposals are not intended to impact on this client group.</p>	<p>Any discriminatory complaints received are fully investigated</p>	<p>Licensing Officers and Police Officers</p>

Additional considerations				
Socio-economic impacts (Including impacts on child poverty and deprivation)	The taxi tariff has to be raised to balance the legitimate right of the trade to a viable livelihood and the needs of the travelling public. The cost of living crisis has hit the taxi trade hard most notably through the escalating vehicle purchase, maintenance and fuel costs. These costs are no longer absorbed through the existing tariff.	There is no differential impact. However, as advised above, the people that rely on public transport will be impacted by any rise in costs and they may not be able to take alternative transport.	N/A	N/A
Public Health impacts (Including impacts on the general health of the population of Torbay)	N/A	There is no differential impact. There is a possibility of social isolation if there are barriers in obtaining affordable transport.	N/A	N/A
Human Rights impacts	There are no human rights impact with regards to the taxi tariff.	There is no differential impact.	N/A	N/A
Child Friendly	Torbay Council is a Child Friendly Council and all staff and Councillors are Corporate Parents and have a responsibility towards cared for and care experienced children and young people.	There is no differential impact. However, care experienced children are more likely to have poor education and health outcomes and are more likely to experience poverty and may be more adversely affected by any rise in fares.	N/A	N/A
FS13: Future of Transport - Equalities and access to opportunity - rapid evidence review (publishing.service.gov.uk)				

12. Cumulative Council Impact

None

13. Cumulative Community Impacts

None

Appendix 1: Letter received from TLTA via email on 2.4.24.

As Chairman of Torbay Licensed Taxi Association (TLTA) I have been asked to submit a proposal for a Hackney Tariff rate increase on behalf of TLTA members and drivers of the trade.

The members of TLTA are all Hackney Drivers or proprietors and membership makes up over 50% of the Hackney Trade. We have over 100 years' experience in the trade

We have consulted with the Hackney trade and spoke to most of the drivers and the general feedback is they are in favour of around 8% increase factoring in the rate of inflation over the last 2/3 years is around 4-6%.

We are not looking for annual reviews as most felt this was time consuming and would be more cost to operators for the small increases it would bring.

Historically, we have left the yardage untouched as most felt this was already low as research showed us how low we are compared to neighbouring authorities, we have amended the yardage slightly and the tick over.

The Private hire trade has already seen some companies increasing their tariffs again and have now introduced a second, more lucrative tariff, which starts earlier than the hackney carriage tariff. Unfortunately, the Hackney Trade can't do this without going through proper procedure.

The escalating cost of fuel, maintenance/repairs and insurances have had a monumental impact on a driver's financial viability with some drivers even choosing to leave the trade altogether. While the national living wage has increased again, the hackney driver has seen their profits drop.

Our proposal considers many influencing factors, in 2021 the rate of inflation was 7.5% and in December 2021 alone the rate of inflation was 5.9%. House prices and rents have increased dramatically, and the average weekly costs are consistently increasing. We feel that an increase of around 8% may encourage more drivers into the trade and keep the existing drivers in the trade. We have increased Tariff 2 by the largest and are asking it to start earlier, hopefully this will encourage more drivers to work more unsocial hours.

We hope you will look favourably at the proposal and put forward a rise on behalf of the trade at the next Licensing Committee meeting.

If you require any further clarification, please contact me on

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Many Thanks

Raymond Hall

HACKNEY CARRIAGE TARIFF INCREASE PROPOSAL

FEB 2024

In preparation of this proposal, we have taken the following influencing factors into account.

1. Consumer Price Index rose by 6.5% in 2022 and 4% in 2023
2. Fuel increasing again, average of £1.50 per litre
3. Second-hand car market up by 25% on average. Consumer demand on that market up by 19%
4. New car market lead time, up to, 12 months.
5. Increasing electronic payments costing up to 3%.
6. Decreasing tips. Mostly due to electronic payments.

The below proposal benefits the trade by increasing the fares by around 8%.

TARIFF 1

CURRENT HACKNEY TARIFF

£3.60 for the first 470 yards (430 metres) or part thereof

£0.17 For each subsequent 135 yards (123 meters) or part thereof

PROPOSED INCREASE-

£3.90 for the first 470 yards (430 metres) or part thereof

£0.20 for each subsequent 145 yards (133 meters) or part thereof.

Waiting time of £0.20 for every 30 seconds.

2-mile journey from £7.51 to £8.10

5-mile journey from £14.14 to £15.30

10-mile journey from £25.19 to £27.50

15-mile journey from £36.24 to £39.70

TARIFF 2

CURRENT HACKNEY TARIFF

£4.00 for the first 470 yards (430 metres) or part thereof

£0.22 For each subsequent 135 yards (123 meters) or part thereof

PROPOSED INCREASE

£4.50 or the first 470 yards (430 metres) or part thereof

£0.25 For each subsequent 145 yards (133 meters) or part thereof.

Waiting time of £0.25 for every 30 seconds.

**It is proposed to have Tariff 2 commence from 9pm until 7am, all day
Sundays and Bank Holidays**

2-mile journey from £9.06 to £9.75

5-mile journey from £17.64 to £18.75

10-mile journey from £31.94 to £34.00

15-mile journey from £46.24 to £49.25

No changes to the Xmas and NYE £1.00 surcharge between the hours of 7pm on Christmas Eve and 7am on Boxing Day (26/12) and between the hours of 7pm on New Years Eve and 7am on 02nd January.

Proposal to have the soiling charge increased from £50 to £75.

Appendix 2: Proposed tariff

Tariff 1 – For all hiring’s commencing between 7am and 9pm from Monday to Saturday inclusive, except those mentioned in Tariff 2.

£3.90 for any distance up to 470 yards (430 meters)

20p for each subsequent 145 yards (133 meters) or part thereof

20p for each completed period of 30 seconds (waiting time)

Tariff 2 – For all hiring’s commencing between 9pm and 7am on Monday to Saturday inclusive, all day Sundays and Bank Holidays. Also, between 7pm on Christmas Eve until 7am on Boxing Day and between 7pm on New Years Eve until 7am on the 2nd January.

£4.50 for any distance up to 470 yards (430 meters)

25p for each subsequent 145 yards (133 metres) or part thereof

25p for each completed period of 30 seconds (waiting time)

Additional charges –

Each additional passenger in excess of one (accompanied children under the age of 3 are not charged, two children between 3 and 6 to be charged as one)	20p
For each uncaged animal except guide, hearing or other assistance dogs	£1.50
Booking Charge For each hiring where the driver is required to drive to the hirer’s designated pick-up point.	50p
For the fouling of the interior or exterior of a cab.	£75
For each hiring carried out between 7pm on Christmas Eve until 7am on Boxing Day and between 7pm on New Years Eve until 7am on the 2 nd January.	£1

Appendix 3: Current tariff

Tariff 1 – For all hiring’s commencing between 7am and 9pm from Monday to Saturday inclusive, except those mentioned in Tariff 2.

£3.60 for any distance up to 470 yards (430 meters)

17p for each subsequent 135 yards (123 meters) or part thereof

17p for each completed period of 44 seconds (waiting time)

Tariff 2 – For all hiring’s commencing between 9pm and 7am on Monday to Saturday inclusive, all day Sundays and Bank Holidays. Also, between 7pm on Christmas Eve until 7am on Boxing Day and between 7pm on New Years Eve until 7am on the 2nd January.

£4.00 for any distance up to 470 yards (430 meters)

22p for each subsequent 135 yards (123 metres) or part thereof

22p for each completed period of 44 seconds (waiting time)

Additional charges –

Each additional passenger in excess of one (accompanied children under the age of 3 are not charged, two children between 3 and 6 to be charged as one)	20p
Booking Charge For each hiring where the driver is required to drive to the hirer’s designated pick-up point.	50p
For the fouling of the interior or exterior of a cab.	£50.00
For each hiring carried out between 7pm on Christmas Eve until 7am on Boxing Day and between 7pm on New Years Eve until 7am on the 2 nd January.	£1.00

Appendix 4

Tariff Setting Methodology

In order to regularly review the maximum taxi fares for Torbay, there should be a fair and robust method for doing so. Licensing Officers have subsequently reviewed the methodologies used by a number of different Local Authorities and the following method has been used to determine whether any fare increase is necessary and balanced.

The proposed methodology has been created to provide a transparent process for calculating taxi fares and seeks to measure the true costs of providing taxis and the 'cost per mile' figure necessary to safeguard the sustainability for this valuable public service. The information provided in this document is supported by factual evidence. If statistical data is not available, the calculations are based on reasoned argument.

The proposed calculation uses the relevant factors shown in the following table:

1	The annual average earnings figure for a full-time employee for Torbay (£)
2	Average of the AA pence per mile total for standing charges and running costs (pence)
3	Vehicle Insurance costs (£)
4	The cost of a council taxi driver badge and vehicle licence, and an allowance for: training, medicals, and DBS checks.
5	Cost of installing and maintaining card terminal per year (does not include the 3% charge as this is not able to be passed onto the customer)
6	The average annual earnable mileage of a licensed Torbay taxi

The relevant factors used in the calculation are explained in more detail below.

1. Annual Average Earnings

The economic cost of running a hackney carriage includes the drivers' earnings and this factor must be taken into account when setting the fare tariff. There is no reliable information on the earnings of taxi drivers, and it is therefore proposed that the government's annual average earnings figure should be used.

The annual average earnings figure for a full-time employee for Torbay is sourced from The Office of National Statistics (ONS) found at:

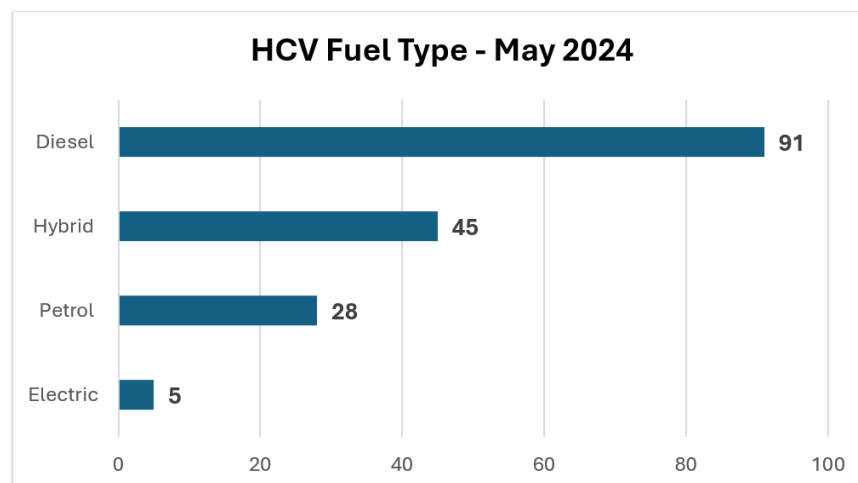
[Earnings and Hours Worked, Work and Residence-Based Travel to Work Area: ASHE Tables 11 and 12 - Office for National Statistics \(ons.gov.uk\)](#)

The filters applied to obtain the information are shown in the table below:

ONS Filters	
Statistics	Mean Average
Geography	Geography-England, South West, Torquay and Paignton
Hours and earnings	Hours and Earnings-Annual Pay Gross
Sex	All
Time	2022 (or most recent available year)
Working Time	All (Full & Part Time)
Workplace or Residence	Both
Average	= £24,480

1. Vehicle Costs

We have based the calculations on a diesel vehicle as in May 2024, the majority of vehicles were diesel.



The average costs of running a diesel vehicle are calculated without taking individual or differing business practices into account.

Until 2014, the Automobile Association (AA) provided the most accurate data available for the costs of running a diesel vehicle based upon the fuel type and average mileage of a vehicle. This is a detailed index and consists of costs for road tax, insurance, depreciation, subscriptions, fuel, oil, tyres, servicing, repairs and replacements for a variety of vehicle types and distances travelled. Please refer to Appendix 7.

While the AA currently do not publish recent information of this nature, they do provide a detailed explanation as to how a vehicle proprietor can estimate their vehicle standing which captures the above information and is still considered appropriate to use. Therefore the 2014 data provided by the AA is used to provide an average figure but is adjusted to allow for the percentage inflation rise along with the cost of fuel since the data was obtained.

The formula below takes the average of the total of standing charges and running costs in pence per mile for diesel cars costing between £26,000 and £32,000 on purchase.

AA Vehicle Motoring Costs April 2024		
The AA Motoring Costs 2014 document has been used and adjusted where figures not available.		
Cumulative price increase of 33% June 2014 to June 2023		
Standing Charges Per Year (£)	£26,000 to £36,000	Inflation Adjusted for 2024
VED (Road Tax) Average of £180 & £400	£180.00	X
Insurance	£601.00	X
Cost of Capital	£541.00	X
Depreciation	£3373.00	X
Breakdown Cover	£50.00	X
Standing Charges Only: £	£4,745.00	X
Standing Charges as Pence Per Mile (At 30000 per year)	17.28	X
Running Costs at Pence Per Mile		
Diesel Fuel*	£12.88	X
Tyres	£2.02	X
Service & Labour Costs	£2.24	X
Replacement Parts	£2.99	X
Parking and Tolls	£2.00	X
Running Costs Only	22.14	X
* Nb Fuel for AA based on 137.0 pence per litre. For each penny more or less add or take away 12p (0.09 x 1.33 inflation)		
Fuel at Esso, Teignmouth Road on 22/04/23 154.9 pence per litre		

Total of Standing and Running Costs as Pence Per Mile	39.42	X
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2. Vehicle Insurance Costs

All insurance policies are different, and some proprietors/drivers pay more than others depending on individual circumstances. In addition, taxi drivers incur additional insurance premiums for the 'hire and reward' element of driving. The calculation is based on the average premium from a random sample of drivers.

4. Costs of maintaining driver and vehicle licence with Torbay Council

This calculation takes in to account the cost of maintaining driver and vehicle licences with additional allowances for DBS checks, medicals and attending appropriate training.

5. Earnable mileage figure

Dead mileage is the term used to describe the amount of mileage spent driving without a passenger in the vehicle i.e. non-earnable mileage. HMRC generally consider dead mileage is set at 40% for rural areas whereas 50% is considered suitable for urban areas.

As Torbay is mainly urban, then the earnable mileage and dead mileage should be set at an even 50/50 % split.

We have estimated the average annual mileage figure at around 30000 miles therefore the earnable mileage is set at 15000 miles.

6. Calculation Results

Once the data has been obtained it is input into the below equation to provide a figure showing the cost per mile to run a taxi in Torbay.

1	The annual average earnings figure for a full-time employee for Torbay (£)	x
2	Average of the AA pence per mile total for standing charges and running costs (pence)	x
3	Vehicle Insurance costs (£)	x
4	The cost of a council taxi driver badge and vehicle licence, and an allowance for: training, medicals, and DBS checks.	x
5	Cost of installing and maintaining card terminal per year (does not include the 3% charge as this is not able to be passed onto the customer)	x

6	The average annual earnable mileage of a licensed Torbay taxi	x
Cost per mile Calculation $(1+2+3+4+5) \div 6 =$		x

Running Costs per Mile = £ X

Appendix 5

Worked example of Fare setting calculations – Torbay Council

Average Earnings

The most up to date data shows that the average salary in Torbay for 2021 is **£24,480 per year**.

The annual average earnings figure for a full-time employee for Torbay is sourced from The Office of National Statistics (ONS) found at:

[Earnings and Hours Worked, Work and Residence-Based Travel to Work Area: ASHE Tables 11 and 12 - Office for National Statistics \(ons.gov.uk\)](#)

The filters applied to obtain the information are shown in the table below:

ONS Filters	
Statistics	Mean Average
Geography	Geography-England, South West, Torquay and Paignton
Hours and earnings	Hours and Earnings-Annual Pay Gross
Sex	All
Time	2022 (or most recent available year)
Working Time	All (Full & Part Time)
Workplace or Residence	Both
Average	= £24,480

1. Cost of Running a Diesel Vehicle

The calculations are based on the cost of a new representative vehicle in the fleet licensed by Torbay Council around £30k, namely:

- Skoda Octavia, 1498 or 1598- [Skoda Octavia Hatchback 1.5 TSI SE 5dr specification and running costs \(fleetnews.co.uk\)](#) – £25, 700
- Toyota Hybrid 1798- [Toyota Corolla Hatchback 1.8 Hybrid Design 5dr CVT specification and running costs \(fleetnews.co.uk\)](#) - £31,900

Current prices have been inputted where this is possible and prices have been adjusted (using the [Inflation calculator | Bank of England](#)) by the cumulative price increase of 33% along with the cost of fuel since the data was obtained.

AA Vehicle Motoring Costs April 2024

The AA Motoring Costs 2014 document has been used and adjusted where figures not available.

Cumulative price increase of 33% June 2014 to June 2023

Standing Charges Per Year (£)	£26,000 to £36, 000	Inflation Adjusted for 2024
VED (Road Tax) Average of £180 & £400	£180.00	£190 (actual cost)
Insurance	£601.00	£1584 (actual average cost)
Cost of Capital	£541.00	£719.53
Depreciation	£3373.00	£4,486.09
Breakdown Cover	£50.00	£66.50
Standing Charges Only: £	£4,745.00	£7,046.12
Standing Charges as Pence Per Mile (At 30000 per year)	17.28	22.98
Running Costs at Pence Per Mile		
Diesel Fuel*	£12.88	£17.13
Tyres	£2.02	£2.69
Service & Labour Costs	£2.24	£2.98
Replacement Parts	£2.99	£3.98
Parking and Tolls	£2.00	£2.66
Running Costs Only	22.14	29.44
* Nb Fuel for AA based on 137.0 pence per litre. For each penny more or less add or take away 12p (0.09 x 1.33 inflation)		
Fuel at Esso, Teignmouth Road on 22/04/23 154.9 pence per litre	0	2.15
Total of Standing and Running Costs as Pence Per Mile	39.42	54.57

The figure obtained is vehicle running costs of **55 pence per mile**.

2. Vehicle Insurance Costs

This figure is set at **£1548** per annum based on an average of a sample of hackney carriage drivers' insurance premiums.

3. Costs of maintaining driver and vehicle licence with Torbay Council

For this current year this is set at **£310**.

(Based on Vehicle renewal of £185 and 1/3rd of the 3-year drivers renewal of £270, plus medical, training etc. so rounded to £310)

4. Calculations

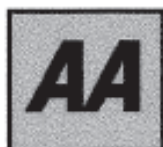
1	The annual average earnings figure for a full-time employee for Torbay (£)	£24,480
2	Average of the AA pence per mile total for standing charges and running costs (pence)	£0.55
3	Vehicle Insurance costs (£)	£1584
4	The cost of a council taxi driver badge and vehicle licence, and an allowance for: training, medicals, and DBS checks.	£310
5	Cost of installing and maintaining card terminal per year (does not include the 3% charge as this is not able to be passed onto the customer)	£500
6	The average annual earnable mileage of a licensed Torbay taxi	15,000
Cost per mile Calculation (1+2+3+4+5) ÷ 6 =		£1.79

Running Cost Per Mile = £1.79

Appendix 6

Torbay									
Journey (Miles)	Tariff 1				Tariff 2				
	Current	Proposed	% Increase	Difference	Current	Proposed	% Increase	Difference	
1	£5.30	£5.70	8%	£0.40	£6.20	£6.75	9%	£0.55	
2	£7.51	£8.10	8%	£0.59	£9.06	£9.75	8%	£0.69	
3	£9.72	£10.50	8%	£0.78	£11.92	£12.75	7%	£0.83	
4	£12.10	£12.90	7%	£0.80	£15.00	£15.75	5%	£0.75	
5	£14.31	£15.50	8%	£1.19	£17.86	£18.75	5%	£0.89	
6	£16.52	£17.70	7%	£1.18	£20.72	£22.00	6%	£1.28	
7	£18.73	£20.10	7%	£1.37	£23.58	£25.00	6%	£1.42	
8	£20.94	£22.50	7%	£1.56	£26.44	£28.00	6%	£1.56	
9	£23.15	£24.90	8%	£1.75	£29.30	£31.00	6%	£1.70	
10	£25.36	£27.50	8%	£2.14	£32.16	£37.00	15%	£4.84	
Average % Increase			8%	£1.18			7%	£1.45	

Appendix 7



Motoring Costs 2014

Petrol Cars

See note:	Standing charges per year, £	Purchase price of the car when new:				
		Up to £13 000	£13 000 to £18 000	£18 000 to £25 000	£25 000 to £32 000	Over £32 000
A	VED (Road Tax)	110	145	180	283	609
B	Insurance	360	409	481	571	762
C	Cost of capital	203	251	355	494	877
D	Depreciation	1190	2156	2611	3672	6974
E	Breakdown cover	50	50	50	50	50
	Standing charges only: £	1913	3011	3678	5070	9271
Standing charges as pence per mile						
	at 5,000 miles per year	37.78	59.36	72.51	99.93	182.64
	at 10,000	19.13	30.11	36.78	50.70	92.71
	at 15,000	13.07	20.65	25.21	34.78	63.67
	at 20,000	10.16	16.13	19.69	27.18	49.84
	at 25,000	8.22	13.08	15.96	22.04	40.43
	at 30,000	6.89	10.97	13.39	18.49	33.93
Running costs, pence per mile						
F	Petrol *	10.84	13.12	14.55	16.22	18.04
G	Tyres	1.37	1.57	1.94	2.32	3.35
H	Service labour costs	2.10	2.07	2.09	2.04	2.34
I	Replacement parts	2.24	2.39	2.25	2.73	3.34
J	Parking and tolls	2.00	2.00	2.00	2.00	2.00
	Running costs only: p.	18.56	21.14	22.83	25.31	29.06
* NB: Petrol at 129.0 pence per litre						
For each penny more or less,						
	add or take away:	0.08	0.10	0.11	0.13	0.14
Total of standing and running costs as pence per mile						
	at 5,000 miles per year	56.34	80.51	95.34	125.24	211.70
	at 10,000	37.68	51.26	59.60	76.01	121.78
	at 15,000	31.63	41.79	48.04	60.09	92.73
	at 20,000	28.72	37.28	42.52	52.49	78.91
	at 25,000	26.78	34.22	38.79	47.35	69.50
	at 30,000	25.45	32.12	36.22	43.80	62.99

Please see the associated notes for more detail. These figures are typical but do not represent all types of vehicle and conditions of use. Once compiled, some of the variables may change at any time.



Motoring Costs 2014

Diesel Cars

See note:	Standing charges per year, £	Purchase price of the car when new:				
		Up to £16 000	£16 000 to £22 000	£22 000 to £26 000	£26 000 to £36 000	Over £36 000
A	VED (Road Tax)	30	110	180	180	361
B	Insurance	424	499	511	601	771
C	Cost of capital	245	325	429	541	823
D	Depreciation	1705	2426	2618	3373	5197
E	Breakdown cover	50	50	50	50	50
	Standing charges only: £	2454	3411	3788	4745	7203

Standing charges as pence per mile

at 5,000 miles per year	48.40	67.24	74.71	93.55	141.98
at 10,000	24.54	34.11	37.88	47.45	72.03
at 15,000	16.81	23.38	25.95	32.53	49.40
at 20,000	13.12	18.27	20.25	25.41	38.61
at 25,000	10.63	14.81	16.41	20.60	31.31
at 30,000	8.92	12.42	13.76	17.28	26.26

Running costs, pence per mile

F	Diesel Fuel *	9.28	10.20	12.65	12.88	16.79
G	Tyres	1.15	1.49	2.06	2.02	2.87
H	Service labour costs	2.10	2.14	2.29	2.24	2.76
I	Replacement parts	2.73	2.43	2.53	2.99	3.44
J	Parking and tolls	2.00	2.00	2.00	2.00	2.00
	Running costs only: p.	17.26	18.25	21.54	22.14	27.85

* NB Fuel at: 137.0 pence per litre

For each penny more or less,

add or take away:	0.07	0.07	0.09	0.09	0.12
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Total of standing and running costs as pence per mile

at 5,000 miles per year	65.66	85.49	96.25	115.69	169.83
at 10,000	41.80	52.36	59.41	69.59	99.88
at 15,000	34.08	41.64	47.49	54.67	77.26
at 20,000	30.39	36.52	41.79	47.55	66.47
at 25,000	27.90	33.06	37.94	42.74	59.16
at 30,000	26.18	30.67	35.30	39.42	54.11

Please see the associated notes for more detail. These figures are typical but do not represent all types of vehicle and conditions of use. Once compiled, some of the variables may change at any time.

Fuel Price Report

January 2015



The pace of fall in petrol and diesel pump prices accelerated in December as supermarkets took advantage of plunging wholesale prices to compete for customers with cars. However, with oil needing to fall to \$40 a barrel at least but staying in the \$45-\$50 range, £1 a litre predictions look misplaced.

Unleaded prices are down 7.4p from 116.3 ppl to 108.9 ppl. **Diesel** prices have fallen 6.1p from 122.2 ppl to 116.1 ppl. The price difference between unleaded and diesel has increased to 7.2 ppl.

East Anglia has recorded the highest price for **unleaded** at 109.4 ppl. The **North, Northern Ireland, South West and Yorkshire and Humberside** have recorded the lowest price for **unleaded** at 108.8 ppl. **Scotland** has recorded the highest **diesel** price at 116.9 ppl. **Northern Ireland** has the cheapest **diesel** at 115.7 ppl.

Supermarket prices for **unleaded** have fallen to 107.1 ppl. The gap between supermarket prices and the UK average for **unleaded** has shrunk to 1.8 ppl.

Garages and Supermarkets	Unleaded 95 Octane (pence)		Diesel (pence)		Super Unleaded (pence)		LPG (pence)
	litres	(gallons)	litres	(gallons)	litres	(gallons)	
Northern Ireland	108.8	494.6	115.7	525.98	114.4	520.1	0.0
Scotland	109.2	496.4	116.9	531.44	119.5	543.3	62.4
Wales	109.0	495.5	116.4	529.16	121.2	551.0	61.5
North	108.8	494.6	116.2	528.26	119.7	544.2	62.4
North West	109.1	496.0	116.1	527.80	123.3	560.5	0.0
Yorkshire & Humberside	108.8	494.6	115.9	526.89	125.7	571.4	63.2
West Midlands	109.0	495.5	116.2	528.26	122.8	558.3	67.9
East Midlands	109.0	495.5	115.9	526.89	121.1	550.5	61.6
East Anglia	109.4	497.3	116.5	529.62	116.8	531.0	63.9
South East	108.9	495.1	116.2	528.26	118.4	538.3	61.4
South West	108.8	494.6	116.1	527.80	118.2	537.3	60.3
London	108.9	495.1	116.0	527.35	118.3	537.8	63.9
UK AVERAGE	108.9	495.1	116.1	527.80	119.7	544.2	62.2
Per cent taken as Tax		69.9		66.58		65.1	

Supermarkets	Unleaded 95 Octane		Diesel		Super unleaded		LPG
	Litres	(gallons)	litres	(gallons)	litres	(gallons)	
SUPERMARKET AVERAGE	107.1	486.9	113.9	517.8	112.1	509.6	60.2
Per cent taken as Tax		70.8		67.55		68.4	

The AA Public Affairs Fuel Price Report uses data sourced from Experian Catalist (www.catalist.com)
They are an average of mid-month prices from the respective regions.