Review of London Taxi (Black Cab) Fares and Tariffs 2022

Taxi fares and tariffs consultation options

MAYOR OF LONDON

TRANSPORT FOR LONDON
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Taxi fares and tariffs consultation options

Consultation options

We're not consulting on a single proposal involving increasing taxi fares and tariffs. Instead for this consultation we are interested in your views on the following options:

Option	Details
1	**Increase all tariffs by the full total Cost Index figure** • Freeze the minimum fare at £3.80 • This option would increase Tariffs 1, 2, 3 and 4 by the full total Cost Index figure of 11.64%
2	**Use the total Cost Index figure but spread the increases across the minimum fare and the four tariffs** • Increase the minimum fare by 40 pence (£3.80 to £4.20) • Increase Tariffs 1, 2, 3 and 4 by 8.80%
3	**Increase Tariffs 1 and 2 by the drivers' operating costs part of the Cost Index** • Freeze the minimum fare at £3.80 • Increase Tariffs 1 and 2 by 7.61% • Freeze Tariffs 3 and 4
4	**Increase Tariffs 1 and 2 by the average national earnings part of the Cost Index** • Freeze the minimum fare at £3.80 • Increase Tariffs 1 and 2 by 4.02% • Freeze Tariffs 3 and 4
5	**No change** • Freeze the minimum fare at £3.80 • Freeze Tariffs 1, 2, 3 and 4

The table below shows the changes for each option.

Item	Option 1	Option 2	Option 3	Option 4	Option 5
Minimum fare • £3.80 at all times	• No change	• Increased by 40 pence to £4.20	• No change	• No change	• No change
Tariff 1 • Monday to Friday between 05:00-20:00	• Increased by 11.64%	• Increased by 8.80%	• Increased by 7.61%	• Increased by 4.02%	• No change
Tariff 2 • Monday to Friday between 20:00-22:00 • Saturday and Sunday between 05:00-22:00	• Increased by 11.64%	• Increased by 8.80%	• Increased by 7.61%	• Increased by 4.02%	• No change
Tariff 3 • Every night between 22:00-05:00 • Public holidays	• Increased by 11.64%	• Increased by 8.80%	• No change	• No change	• No change
Tariff 4 • At all times for journeys over six miles	• Increased by 11.64%	• Increased by 8.80%	• No change	• No change	• No change

Summary of the main points for each option

The table below provides a summary of the main points for each option.

Option	Summary of main considerations
Option 1 **Increase all tariffs by the total Cost Index figure** • Freeze the minimum fare at £3.80 • Increase Tariffs 1, 2, 3 and 4 by the total Cost Index figure (11.64%)	• This option would increase Tariffs 1, 2, 3 and 4 by the full total Cost Index figure of 11.64% • The minimum fare would remain at £3.80 but this option would involve increasing Tariffs 1, 2, 3 and 4 • This option involves the largest increase (11.64%) to Tariffs 1, 2, 3 and 4 • The increase of 11.64% would be much higher than previous increases to the tariffs • This option would mean fares increase at all times and so all taxi drivers would see fares increase, regardless of when they work. Passengers would also see fares increase, regardless of when they travel • This option would cover the increase in drivers' operating costs and the increase in average national earnings shown in the Cost Index • A large increase could help taxi drivers cover increased operating costs. However, it could also deter some people from using taxis, or make taxis too expensive for some people or some journeys • Taxi drivers who work at Heathrow Airport are more likely to do longer journeys and would see fares for these increase if Tariff 4 is increased • Tariffs 3 and 4 have been frozen in the last four reviews and have not changed since an increase in 2016 • This option would avoid the difference between Tariffs 1 and 2, and Tariff 3 narrowing further • Tariff 2 is now higher than Tariff 4. This option would avoid the difference between Tariff 2 and Tariff 4 increasing further
Option 2 **Use the total Cost Index figure but spread the increases across the minimum fare and the four tariffs** • Increase the minimum fare by 40 pence (£3.80 to £4.20) • Increase Tariffs 1, 2, 3 and 4 by 8.80%	• This option is similar to the approach taken in the last three reviews • This is the only option that involves an increase to the minimum fare (£3.80 to £4.20) • Although the increase to Tariffs 1, 2, 3 and 4 of 8.80% is less than that proposed in Option 1 it is still higher than previous increases • This option would mean fares increase at all times and so all taxi drivers would see fares increase, regardless of when they work. Passengers would also see fares increase, regardless of when they travel • A large increase could help taxi drivers cover increased operating costs. However, it could also deter some people from using taxis, or make taxis too expensive for some people or some journeys • Taxi drivers who work at Heathrow Airport are more likely to do longer journeys and would see fares for these increase if

Option	Summary of main considerations
	Tariff 4 is increased • Tariffs 3 and 4 have been frozen in the last four reviews and have not changed since an increase in 2016 • This option would avoid the difference between Tariffs 1 and 2, and Tariff 3 narrowing further • Tariff 2 is now higher than Tariff 4. This option would avoid the difference between Tariff 2 and Tariff 4 increasing further
Option 3 **Increase Tariffs 1 and 2 by the drivers' operating costs part of the Cost Index** • Freeze the minimum fare • Increase Tariffs 1 and 2 by 7.61% • Freeze Tariffs 3 and 4	• The Cost Index tracks changes to taxi drivers' operating costs • This option would increase Tariffs 1 and 2 by the figure from the Cost Index for changes to taxi drivers' operating costs • This option would mean that the increase in taxi drivers' operating costs was taken into consideration when making changes to taxi fares and tariffs, although increases are only proposed to Tariffs 1 and 2 • The minimum fare would remain at £3.80 • The increase to Tariffs 1 and 2 of 7.61% is lower than that proposed in Options 1 and 2 • This option would mean fares increase when Tariffs 1 and 2 apply and so taxi passengers who travel when Tariffs 1 and 2 apply would see fares increase • There would be no increase in fares for taxi passengers who travel when Tariff 3 applies. Taxis may be a safer option for some people travelling at night as other transport options may not be available or suitable • Taxi drivers who work at Heathrow Airport are more likely to do longer journeys and so may be affected more if no change is made to Tariff 4 • The fares for journeys over six miles when Tariffs 1 and 2 apply would increase, as these tariffs increase, but there would be no increase for the part of the journey once six miles was reached. Some of these longer journeys may be harder to make by public transport • There would be no increase in fares for journeys over six miles when Tariff 3 applies • Taxi drivers who work when Tariffs 1 and 2 apply would see fares increase • Taxi drivers who work when Tariff 3 applies would not see an increase in fares • This option would cover the increase in operating costs for taxi drivers who work when Tariffs 1 and 2 apply • Tariffs 3 and 4 have been frozen in the last four reviews and have not changed since an increase in 2016. The reason for freezing these tariffs was because of concerns that they were too high • This increase would be higher than the increase in average national earnings • There is a risk that the difference between Tariffs 1 and 2,

Option	Summary of main considerations
	and Tariff 3 could become quite small • Tariff 2 is now higher than Tariff 4 and this difference would increase
Option 4 **Increase Tariffs 1 and 2 by the average national earnings part of the Cost Index** • Freeze the minimum fare • Increase Tariffs 1 and 2 by 4.02% • Freeze Tariffs 3 and 4	• The Cost Index tracks changes to average national earnings • This option would increase Tariffs 1 and 2 by the figure from the Cost Index for changes to average national earnings • This option would mean that the increase in average national earnings was taken into consideration when making changes to taxi fares and tariffs, although increases are only proposed to Tariffs 1 and 2 • The minimum fare would remain at £3.80 • The increase to Tariffs 1 and 2 of 4.02% is lower than that proposed in Options 1, 2 and 3 • This option would mean fares increase when Tariffs 1 and 2 apply and so taxi passengers who travel when Tariffs 1 and 2 apply would see fares increase • There would be no increase in fares for taxi passengers who travel when Tariff 3 applies. Taxis may be a safer option for some people travelling at night as other transport options may not be available or suitable • Taxi drivers who work at Heathrow Airport are more likely to do longer journeys and so may be affected more if no change is made to Tariff 4 • The fares for journeys over six miles when Tariffs 1 and 2 apply would increase, as these tariffs increase, but there would be no increase for the part of the journey once six miles was reached. Some of these longer journeys may be harder to make by public transport • There would be no increase in fares for journeys over six miles when Tariff 3 applies • Taxi drivers who work when Tariffs 1 and 2 apply would see fares increase • Taxi drivers who work when Tariff 3 applies would not see an increase in fares • This increase would be lower than the increase in taxi drivers' operating costs • Tariffs 3 and 4 have been frozen in the last four reviews and have not changed since an increase in 2016 • There is a risk that the difference between Tariffs 1 and 2, and Tariff 3 could become quite small. • Tariff 2 is now higher than Tariff 4 and this difference could grow if we increase Tariff 2 but freeze Tariff 4
Option 5 **No change:** • Freeze the minimum fare at £3.80	• This option would mean that taxi fares would not increase for all taxi passengers regardless of when they travel • Taxi fares would not increase for taxi drivers regardless of when they work • This option could help to make taxis more affordable but may mean taxi drivers cannot cover increased operating

Option	Summary of main considerations
• Freeze Tariffs 1, 2, 3 and 4	costs • Not increasing taxi fares could have a negative impact on taxi drivers as their operating costs have increased, although the impact may be positive if it increases demand for and usage of taxis • This option would mean that no changes were required to the taximeters fitted in taxis