

Hackney Carriage Fare Review 2024 – Draft Survey

For example purposes only

Overview

East Devon District Council licences and regulates taxi and private hire services in the District. As part of this we set the maximum fares which taxis (Hackney Carriages) can charge.

We aim to review these fares each year and reflect the costs of operating a taxi in East Devon, against what it is reasonable for the public to pay for the service. In addition, a request for a fare review has been made by East Devon Taxi Association following their meeting on the 12th December 2023.

At a meeting of the Licensing & Enforcement Committee on the 13th March 2024, the Committee authorised the Licensing Authority to draft a “Maximum Chargeable Fare Setting Procedure” to be used in the future setting of hackney carriage fare tariffs.

The procedure will be based upon a methodology of calculating taxi fares produced by Guildford Borough Council which allows the costs of running a vehicle, and providing the service, to be recovered over the number of miles licensed vehicles complete, and will set out how East Devon District Council propose to calculate taxi fare tariffs and charges.

To help us with this we are asking you to participate in a survey which is intended to assist with determining the costs of running a taxi in East Devon. Hackney carriage drivers and proprietors are best placed to know the costs involved with running a hackney carriage vehicle and providing a taxi service and it is very important that we hear your views.

Please take the time to complete the survey. The Licensing Team will use the results of this survey to assist in determining the data to input into the fare calculations. The results will also be used to inform a Maximum Chargeable Fare Setting Procedure and all feedback received will be considered.

A high response rate will ensure that the views of the trade are considered when calculating a table of maximum fares for hackney carriages. It is important you provide as much detail and evidence as possible with your response such as copies of receipts and journey records to substantiate any figures given.

Survey

Please participate constructively in this survey and let us know your views by (TIME TO BE INSERTED) on the (DATE TO BE INSERTED). Anonymous responses, late responses and historical submissions will not be considered.

We will update the trade on progress through our newsletters, email correspondence and at the East Devon Taxi Association meetings.

Please note that any responses received may be published by the Council.

When the survey has ended, the Licensing Team will use the data received to calculate a new fare tariff table using the methodology set out by Guildford Borough Council adjusted to local circumstances. A new proposed table of fares will be put before the Licensing & Enforcement Committee for their consideration on the 17th July 2024 together with a proposed Maximum Chargeable Fare Setting Procedure. On that date, the Licensing &

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Enforcement Committee will decide whether to approve the revised table of fares and start the fare setting process.

If the fares are approved, a notice will be published in a local newspaper and at the Council Offices, setting of the table of fares and specifying a period (of not less than 14 days from the date of publication of the notice) within which objections can be made.

If no objections are received, the revised table of fares will come into operation on the date of the expiration of the notice period.

If any objections are received (and not withdrawn) the District Council will set a further date, no later than two months after the first specified date, upon which the table of fares will come into force with or without modification as decided by the Licensing & Enforcement Committee after consideration of the objections.

Any enquiries about this survey can be made to the Licensing Team.

Example Survey Questions

Section 1: Figures used to Calculate Fares

The table below shows all the figures we will need to calculate the fare tariff using the methodology set out by Guildford Borough Council. These figures need to be specific to the taxi trade in East Devon and include annual average mileage, an annual average salary, and annual average costs of running a taxi.

Each figure will be calculated by using survey responses and evidence provided by the trade, data held by East Devon District Council, national statistics, and information from reliable sources. Please use the space provided next to each item to make any comment on how we should calculate these figures and what the figure should be. You can also tell us if you think a figure shouldn't be included or, if you think there are costs involved which have not been included below.

Please provide as much evidence as possible to justify your comments and substantiate any figures given, for example if you spend £600 on tyres per year, record this figure and provide a copy of the receipt. Figures provided without supporting evidence cannot be considered.

Annual average salary for East Devon	We are proposing to include an appropriate level of remuneration for taxi drivers that is relevant to East Devon. It is intended to calculate this using the most recent information published by the Office for National Statistics in its Annual Survey of Hours and Earnings (ASHE) to find a median annual gross salary for East Devon.
The average annual mileage for an East Devon taxi	We plan to use the average annual number of miles travelled by each taxi driver when we calculate the cost per mile of running a taxi. We are proposing to calculate the annual number of miles travelled by each taxi by calculating the difference between odometer mileage listed on the two most recent MOTs for each licensed vehicle. If a vehicle has not yet been subject to two MOTs, we will use the mean mileage calculation for this vehicle. We will then divide the total number of miles travelled by all

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	<p>licensed taxis by the number of licensed taxi drivers to provide the average mileage.</p>
<p>The amount of mileage travelled with and without passengers and dead mileage</p>	<p>To calculate a cost of running a taxi per mile, we will need to estimate the following figures:</p> <ul style="list-style-type: none"> • the number of miles travelled by a taxi without a fare paying passenger (based upon dead mileage rate) • the number of miles travelled by a taxi with a fare paying passenger (live mileage) • Dead mileage. Dead mileage is defined as the percentage of the distance that is travelled without a fare payment passenger aboard. It does not include any distance travelled on a fare where the meter is not used (for example a school contract), any distance travelled in the vehicle for personal (social, domestic, pleasure) use, or distance travelled to and from home to work. It is not possible to calculate the exact amount of dead mileage travelled by each taxi and we need your help to calculate a maximum level of dead mileage as a percentage of the overall mileage travelled by a hackney carriage. For example, a 50% starting point for the calculation would allow for a taxi taking a customer from point A (the rank) to point B, and then always returning back again <p>We will use the average annual mileage calculation when calculating this but will need your help to estimate what percentage of the mileage you travel in your licensed vehicle falls under which category.</p> <p>Therefore, please provide us with an estimate of the percentage of your annual mileage that is used for:</p> <ul style="list-style-type: none"> • Social, domestic and pleasure purposes (e.g. for your own private use) • Commuting to and from your place of work (e.g. if you usually commute from your home address to the taxi rank) • Non-metered fares (regular fixed price school or hospital contracts) • Metered fares • Dead mileage • Other (please specify what this relates to)
<p>Average mileage travelled for each fare paying journey in East Devon</p>	<p>We will need your help to calculate this. Please can you tell us the average length of a fare paying journey? Is 2-3 miles per journey a suitable average? Or do you know that most of your journeys are longer or shorter than this? We will use your responses to calculate a mean journey length.</p>

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<p>The average number of journeys travelled with a fare paying passenger annually</p>	<p>We will calculate the mean number of journeys travelled in a year by a taxi in East Devon by dividing the average live mileage by the average distance per journey but please let us have any feedback in relation to how many journeys you do weekly/monthly/annually.</p>
<p>Annual vehicle depreciation</p>	<p>Depreciation is the difference between the amount you spend when you buy a car and the amount you get back when you sell the car or trade it in. Different vehicles lose value at different rates depending on their make, age, mileage and condition. Auto Trader state that on average, new cars can lose 20 to 30 per cent of their value in the first year and then around 15 per cent of their value for the next couple of years, normally adding up to around 50% or more over three years. However, new car shortages in recent years mean used cars have been holding their value longer – and some used cars have even gained value. Please let us know your thoughts on this. We will be working out the average age of the fleet in East Devon and using AA statistics to assist us with calculating this.</p>
<p>Cost of capital</p>	<p>This value will represent the loss of income from the vehicle proprietor from having money tied up in a vehicle which could otherwise be in a deposit account. This may vary each year and we will use an estimate of an average vehicle price for our fleet and an estimate of average interest rates to calculate this.</p>
<p>Average cost of insurance</p>	<p>We need your help to calculate the average annual cost of vehicle insurance for a hackney carriage vehicle operating in East Devon. Please can you provide us with your annual insurance premium and any evidence you have in relation to this.</p>
<p>Cost of road tax</p>	<p>We will be calculating an average cost of road tax for an East Devon licensed hackney carriage using national figures for vehicle tax rates.</p>
<p>Average breakdown cover</p>	<p>Please assist us by confirming whether you have breakdown cover the annual cost of this. We will calculate a figure for an annual average breakdown cover.</p>
<p>Average cost of fuel per litre over past 12 months (pence per litre)</p>	<p>We will calculate an average cost of fuel per litre over the past 12 months. Most vehicles licensed in East Devon are diesels and we intend to base the figures on the cost of diesel. The figures above have been calculated using the UK petrol and diesel prices for the South West of England for the past 12 months (February 2023 – January 2024) listed in the AA fuel price reports.</p>
<p>Annual cost of tyres</p>	<p>We will be using AA statistics in conjunction with estimated annual mileage to calculate this. However, we are aware however that due to the number of journeys carried out by taxis it may be that tyres are changed more frequently than on a vehicle used for social, domestic and pleasure purposes. Please provide us with any evidence you have relating to the cost of tyres and the average tyre life you have experienced.</p>

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Annual service labour costs	The service labour costs cover normal servicing and parts replacement taking UK average labour rates. We need your help to calculate this and please let us know your average expenditure on vehicle service labour costs and provide any evidence you have.
Annual cost of replacement parts	Replacement parts include items that may require replacement through normal driving conditions such as brake materials, oils, filters, bulbs, wipers etc. Please let us know your average expenditure on replacement parts for your vehicle and provide any evidence you have.
Annual cost of parking and tolls	We need to hear about any regular annual parking and toll costs that you incur when carrying out hackney carriage journeys. Please provide us with further information above if you feel this is a relevant expense incurred.
Annual station rank permit or other required permits	We need to hear about any regular permit fees that you incur when carrying out hackney carriage journeys. Please provide us with further information above if you feel this is a relevant expense incurred.
Annual hackney carriage licence fee	East Devon's current fee for a 1-year hackney carriage vehicle licence is £262. This figure will be included as an annual cost of running a taxi.
Vehicle test fees	We need to know how much your annual or six-monthly vehicle compliance test costs. Please provide us with a figure for this and provide any evidence you have available to support this (garage invoices etc). We will then calculate how many of our vehicles have an annual inspection and how many have a six-monthly inspection and find an average cost per year.
Driver licence fee (pro rata)	East Devon's current fee for a 1-year hackney carriage driver licence is £104. East Devon's current fee for a 3-year hackney carriage driver licence is £229. There is also a £15 fee on initial licensing to cover the cost of the badge. We have therefore calculated a yearly fee by adding the 1-year fee of £104, 3-year fee of £229 and £15 badge fee to give the costs over 4 years from initial licensing. We have then divided this by 4 to give an annual average of £87.
Cost of providing a roof sign and meter	We will be contacting both Council approved meter engineers to obtain costs for this and will use these figures to calculate a yearly estimate. Please provide us with any additional information you consider relevant.
Cost of medical report	All East Devon hackney carriage drivers are required to undergo regular medicals at differing frequencies. We will calculate the percentage of our drivers that will not require a further medical until 45 years of age, the percentage of our drivers who undertake 5-yearly medicals and the percentage of our drivers that undertake yearly medicals. We will then calculate a mean annual cost for this. While we are aware of the fees D4Drivers charge for carrying out a medical examination, we have less data on the fees charged by GPs.

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	We need your help to calculate this, and please can you let us know the cost of your most recent medical and provide any evidence you have regarding this.
One-off cost of safeguarding training	All East Devon licensed hackney carriage drivers will be asked to complete safeguarding training by the 1 st November 2024. We haven't finalised the arrangements for this, but it is likely that the fee for this will be in the region of £22. This will be a one-off cost and we will calculate an annual estimate for this.
One-off cost of taxi driving test on initial licensing	All licensed drivers are required to take a driving test on first licensing. This is a one-off cost, and the driving test only has to be re-taken if a certain number of points are incurred on a driving licence or complaints about the driver are received. Red One currently charge £160 for a 2-hour test and £99 for a 1-hour test.
One-off cost of first full DBS check	The fee for a full DBS check is currently £67. We expect all East Devon hackney carriage drivers to register with the DBS update service after completion of their first full enhanced DBS check.
Annual cost of DBS update service subscription	The current annual cost of a subscription to the DBS update service is £13. We recommend that all of our driver's register their enhanced DBS certificate with the DBS update service to allow 6 monthly DBS status checks to be carried out. We will be assuming that all of our drivers have signed up to the DBS update service after their initial DBS when calculating these figures.
Cost of card payment terminal (per year)	We would welcome feedback on how many of our hackney carriage drivers have a card payment terminal and the cost of such a terminal. Please can you provide details of this in your response.

Section 2 – additional information

We are pleased to hear views from the trade on the inclusion or removal of any of the costs listed above as contributing towards running a hackney carriage vehicle. We are also interested to hear from you as to whether you consider a fare review appropriate at this time and whether you consider the times applicable to each of the three current tariffs to still be suitable.

Please use the space below to make any suggestions, for example other costs associated with running a taxi in East Devon which you would want to see included in the fare calculator.

Please make any comments in the section below and include as much evidence as possible to justify your comments:

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Finally, we are pleased to hear views from the trade on any other items relevant to taxi fares which would benefit both the licensed trade and passengers.

Please use the space below to make any other relevant suggestions or comments.

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Driver Details

Please complete your details below.

Please note that anonymous responses will not be considered.

Full name:	
Hackney Carriage Driver Licence Number:	
Hackney Carriage Vehicle Licensing Number:	

Please complete the survey by (INSERT TIME AND DATE HERE)

Thank you for taking the time to complete the Costs Survey as this will greatly assist us with calculating a revised fare tariff.