

Date: 9 March 2022

Item: Taxi Fares and Tariffs Update

This paper will be considered in public

1 Executive Summary

- 1.1 TfL is responsible for the licensing and regulation of London's taxi (black cab) and private hire services. TfL also regulates taxi fares and set the maximum taxi fares that can be charged. This paper asks the Committee to approve changes to the taxi fares and tariffs.
- 1.2 We had planned to review taxi fares and tariffs in 2020 and consult on potential changes but did not do so due to the coronavirus pandemic. The coronavirus pandemic has had a significant impact on taxi drivers and the taxi trade. Section 5 has more information about the impact of the coronavirus pandemic on London's taxi trade.
- 1.3 In December 2021 we consulted on London taxi fares and tariffs and asked respondents:
 - (a) for their views on the current minimum fare and tariffs, and value for money of taxi fares in London;
 - (b) if they supported or opposed three options on the minimum fare and tariffs;
 - (c) if they thought the Heathrow Extra should be frozen, removed or increased to cover the price increase for taxi drivers accessing the taxi ranks at Heathrow and if they considered an increase was appropriate then how much; and
 - (d) if they thought there should be an extra charge taxi passengers pay when being dropped off at one of the terminals at Heathrow Airport to help taxi drivers cover the cost of the Heathrow Terminal Drop-Off Charge (TDOC) recently introduced by Heathrow Airport Limited. If so, how much did they consider this should be increased by.
- 1.4 There are negative impacts if we increase taxi fares and tariffs, or increase taxi fares for journeys to or from Heathrow Airport. These include:
 - (a) taxi users paying higher fares, with increases potentially having a disproportionate impact on some disabled or elderly people who may use taxis more often or be more reliant on them; and

- (b) people using taxis less often and this resulting in taxi drivers' incomes declining or drivers having to work longer hours.

1.5 However, there are also potentially negative impacts if no increases are made including:

- (a) taxi drivers leaving the trade due to costs increasing and taxi driving being considered a less attractive career than it previously was;
- (b) the number of people applying to become a taxi driver falling;
- (c) the supply of available taxis declining or wait times increasing leading to:
 - i. some taxi users being unable to make a journey, with people who rely on taxis or use them more often being disproportionately affected; and
 - ii. some people choosing a less safe option (e.g. using an unlicensed vehicle or unbooked private hire vehicle (PHV), or walking when this could be less safe).

1.6 Our full impact assessments can be found in Appendices 6 and 7.

1.7 There were 1,949 responses to the consultation. This paper contains a full analysis of those responses including:

- (a) charts showing the responses to the closed questions – sections 13, 14, 18, 19 and 20;
- (b) summaries of the stakeholder responses – Appendix 4; and
- (c) the consultation analysis code frame – Appendix 5.

1.8 After considering all of the responses received, issues raised and the impacts identified we are recommending increases to taxi fares and tariffs. The full recommendations are set out in section 3.

1.9 The reasons for making these recommendations include:

- (a) taxi drivers' operating costs have significantly increased since fares and tariffs were last changed in January 2020 and we want to ensure taxi drivers can cover their operating costs and continue to earn a living;
- (b) taxi drivers have been significantly impacted by the coronavirus pandemic and many have not been able to earn a living as a taxi driver or been eligible for financial support;
- (c) it is important that there is a sufficient supply of licensed taxis and taxi drivers, and taxis are available for hire. This is particularly important for public safety and people travelling at night, and also for people who may

use taxis more often or be more reliant on them (e.g. some elderly or disabled people);

- (d) the cost for taxi drivers to access the taxi ranks at Heathrow Airport has doubled to £7.20;
- (e) from April 2022 taxi drivers will also have to pay the full Heathrow TDOC (£5.00) when dropping off passengers in the terminal drop-off zones at Heathrow Airport; and
- (f) overall, we think the recommendations help us strike an appropriate balance between taxi drivers being fairly paid and taxi users getting fair, reasonable and affordable fares.

2 Introduction

- 2.1 The purpose of this paper is to update the Committee on the taxi (black cab) fares and tariffs review and invite it to approve the recommendations in section 3. Any approved changes to the fares and tariffs as set out in this paper will come into effect on 30 April 2022.
- 2.2 This paper also contains an update on the impact of the coronavirus pandemic on London's taxi trade. We normally review taxi fares and tariffs annually but did not do so in 2020 and 2021 due to the coronavirus pandemic.

3 Recommendations

3.1 The Committee is asked to note the paper and approve:

- (a) increasing the minimum fare from £3.20 to £3.80;**
- (b) increasing Tariffs 1 and 2 by 5.51 per cent;**
- (c) freezing Tariffs 3 and 4;**
- (d) increasing the maximum Heathrow Extra from £2.80 to £3.60; and**
- (e) introducing a charge of up to £5.20 which taxi drivers can add when dropping off passengers in one of the terminal drop-off zones at Heathrow Airport unless their taxi has been registered for a Blue Badge concession.**

4 Background

- 4.1 Taxi and private hire services in London are licensed and regulated by Transport for London (TfL). The Licensing, Regulation and Charging (LRC) Directorate within TfL has day to day responsibility for the delivery of taxi and private hire licensing services.
- 4.2 Taxi fares are calculated using a taximeter and the meter shows the **maximum fare** that can be charged at the end of a journey.

- 4.3 The fare is based upon the time of day, distance travelled and time taken. Once a journey reaches around six miles, a different tariff rate (sometimes called Tariff 4) applies.
- 4.4 There are four different taxi tariffs and the times at which these apply are shown below.

Tariff	When tariff applies
Tariff 1 (T1)	<ul style="list-style-type: none"> Monday to Friday between 05:00-20:00
Tariff 2 (T2)	<ul style="list-style-type: none"> Monday to Friday between 20:00-22:00 Saturday and Sunday between 05:00-22:00
Tariff 3 (T3)	<ul style="list-style-type: none"> Every night between 22:00-05:00 Public holidays
Tariff 4 (T4)	<ul style="list-style-type: none"> At all times for journeys over six miles

5 Impact of the coronavirus pandemic

- 5.1 The coronavirus pandemic has had a massive impact on taxi drivers and the taxi industry. Many taxi drivers have been unable to earn a living as a taxi driver during the pandemic and some have not been eligible for any of the Government financial support schemes.
- 5.2 As well the severe financial impacts, the health and wellbeing of individual taxi drivers has also suffered with figures published by the Office for National Statistics in 2020 showing that male taxi drivers and chauffeurs had a higher rate of deaths involving coronavirus than other professions.
- 5.3 The use of taxis fell dramatically as a result of coronavirus restrictions as there were fewer people travelling in London. The number of people in the capital from groups who might use taxis most often (e.g. commuters, office workers, business people visiting London for meetings, tourists, people going out at night or to events) has been significantly lower than normal for a sustained period.
- 5.4 During the pandemic some taxi drivers have gone to extraordinary lengths to support and assist local communities or key workers by offering free rides, delivering food and other essential supplies, or providing transport to vaccination centres. Some taxi drivers also changed jobs to help provide delivery services.
- 5.5 Some taxi drivers may have been eligible for the Government's Self-employment Income Support Scheme and so this has partly mitigated the impact on them. However, not all will have been eligible for this or other financial support.

5.6 The number of licensed taxi drivers and people applying to become a licensed taxi driver has declined significantly due to the pandemic – the table below shows the number of licensees in March 2020 and currently.¹

	15 March 2020	6 February 2022	Difference	%
Taxis	18961	14439	-4522	-23.85%
Taxi Drivers	22409	19716	-2693	-12.02%

5.7 A chart showing the trend in the number of licensed taxis and taxi drivers since 2000/01 is attached in Appendix 1 which shows that pre-pandemic there was a slow decline but this has accelerated significantly as a result of the pandemic.

5.8 Although the most recent update of the Cost Index shows that taxi drivers' operating costs have increased, concerns have been raised within TfL, by some disability and accessibility groups and also by some taxi drivers about increasing taxi fares and this potentially having a negative impact on the taxi trade or taxi passengers. Furthermore, there could be a disproportionate impact on people who are using taxis more often (e.g. the elderly, Taxicard² members, people who are vulnerable or were shielding) because they are still concerned about using buses, the Tube or trains.

5.9 At the same time concerns have been raised within TfL and by the taxi trade about taxi drivers leaving the trade due to costs increasing and taxi driving being considered a less attractive career than it previously was. There are also concerns about the decline in the number of people applying to become a licensed taxi driver and the number of newly licensed taxi drivers. These figures are significantly lower than they were previously.

5.10 For example in 2010/11 2,546 applications to become a taxi driver were received and 763 new taxi driver licences were issued.³ In the last full year before the pandemic (2019) these figures were 477 and 393 respectively. Taxi drivers leaving the trade, and declining numbers of new applicants and newly licensed taxi drivers can reduce the availability of taxis, increase wait times and mean people are unable to get a taxi.

5.11 We are currently undertaking a review of the Knowledge of London to consider ways to make it more attractive, accessible and relevant.

¹ TfL licensing data 15 March 2020 and 6 February 2022

² Disabled residents in London are eligible for subsidised taxi journeys under the Taxicard scheme which provides a door-to-door service. The scheme is funded by TfL and the London boroughs and taxis are used for the majority of Taxicard journeys.

³ TfL licensing data

6 Reviewing taxi fares and tariffs

- 6.1 When considering changes to taxi fares and tariffs, we aim to try to strike an appropriate balance between taxi drivers being fairly paid and taxi users getting fair, reasonable and affordable fares.
- 6.2 To help us achieve this we:
- (a) use the Cost Index (see section below) to inform any potential changes to taxi fares and tariffs, but we do not automatically increase or decrease fares or tariff rates by the total Cost Index figure;
 - (b) consider any changes to the costs of being a taxi driver in London along with the need for fares to be fair, reasonable and affordable for users;
 - (c) take into account the need to maintain reasonable and justifiable differences in the tariffs for journeys in the daytime, evening/weekend, late at night and on public holidays;
 - (d) take into account the need to maintain reasonable and justifiable differences in fares as the distance and duration of a taxi journey increases;
 - (e) recognise specific criteria regarding taxi licensing and services in London including the [Knowledge of London](#) and taxi vehicles having to meet the [Conditions of Fitness](#); and
 - (f) have due regard to the impact of changes to fares and tariffs on those sharing characteristics protected under the Equality Act 2010 including the impact on those who may use taxis more frequently or are more reliant on them compared to others because they are in a protected group.
- 6.3 Information about changes to taxi fares and tariffs since 2010 is provided in Appendix 2.

7 Cost Index

- 7.1 The Cost Index is maintained by TfL and it provides a way to track changes to:
- (a) the costs related to being a taxi driver; and
 - (b) average national earnings.
- 7.2 The Cost Index includes a number of different components covering drivers' operating costs (e.g. vehicle costs, parts, tyres, servicing, fuel and insurance). We update the figures for these components when we review taxi fares and tariffs. Sometimes we also add, remove or amend components in the Cost Index.

- 7.3 When we update the figures for the different components in the Cost Index it provides us with a single figure for changes to taxi drivers' operating costs and average national earnings. We use this figure when considering potential changes to taxi fares and tariffs.
- 7.4 It is important to note that the Cost Index and the total figure produced when this is updated are independent of the taxi fares and tariffs.
- 7.5 Although some taxi users may consider taxi fares to be too high this does not necessarily mean that there is a problem with the Cost Index. Other factors such as congestion, delays, increased journey times, increased journey lengths and restrictions on where taxis can go, may have a greater impact on taxi fares and passengers paying more or regarding taxi fares as too expensive.
- 7.6 When it is updated the Cost Index produces one single figure and this is normally used when changes are made to the tariffs. For several years Tariffs 1, 2 and 3 were increased by the total Cost Index figure. A different approach has been taken in the most recent reviews but the total Cost Index figure has still been taken into account and used. A summary of the changes made to the minimum fare and tariffs since 2010 is enclosed in Appendix 2.

Cost Index review

- 7.7 We see the Cost Index as an essential tool to enable us to track changes to costs related to being a taxi driver and average national earnings. We remain fully committed to updating the Cost Index when we review taxi fares and tariffs, and considering changes to it when appropriate. The taxi trade associations have also expressed their strong support for continuing to use the Cost Index.
- 7.8 In 2016 an independent review of the Cost Index was carried out following feedback from the Committee as members were keen to explore whether this remained the most appropriate way of calculating taxi fares.
- 7.9 The 2016 review found that "the current method of applying annual uplifts to various components differentially remains the best way of ensuring that year-to-year cost variations are dealt with in a fair and economic manner. This 'variable weight methodology', whereby weights change from year to year in accordance with changes in expenditure, seems to us to be preferable to fixing weights until the next full recalibration/reconstruction. This is, after all, the fundamental basis of RPI and CPI. That said, periodic reconstruction of the whole index should be undertaken as a revalidation exercise to ensure ongoing fitness for purpose. This has the advantage of also allowing new cost categories or changes in practice to be readily incorporated."

Zero emission capable taxis

- 7.10 Since 1 January 2018 it has been a requirement for all newly licensed taxis to be zero emission capable (ZEC). There are currently two vehicles that can be newly licensed as taxis:

- (a) London Electric Vehicle Company (LEVC) TX⁴; and
- (b) Dynamo Taxi.⁵

7.11 As of 6 February 2022 there were 5,124 licensed ZEC taxis, which represents 35 per cent of the total London taxi fleet. Although since the start of the coronavirus pandemic the total number of licensed taxis has fallen by almost 25 per cent.⁶

7.12 In 2019 we reviewed the Cost Index and updated it to include costs for the LEVC TX, the Dynamo Taxi and also charging/electricity costs. No further changes to the Cost Index are currently planned.

2019, 2020 and 2021 Cost Index figures

7.13 The 2018 Cost Index figure informed the proposals consulted on in 2019 and which were implemented in January 2020.

7.14 The 2019, 2020 and 2021 Cost Index figures were used in the current review of taxi fares and tariffs.

Date	Total Cost Index figure	Notes
November 2019	+4.16%	<ul style="list-style-type: none"> • This update brought the ZEC taxi costs into the index • The operating costs include a +1.24% vehicle cost component • Charging/electricity costs for the ZEC taxis were also introduced in this Cost Index update
October 2020	-0.01%	<ul style="list-style-type: none"> • The increase in operating costs was cancelled out by the decrease in average national earnings
September 2021	+5.80%	<ul style="list-style-type: none"> • Both taxi driver operating costs and average national earnings have increased

7.15 The table below shows the figures for taxi drivers' operating costs and average national earnings for the 2019, 2020 and 2021 Cost Index updates.

	2019	2020	2021
Operating costs	+2.00%	+0.58%	+1.00%
Average national earnings	+2.15%	-0.58%	+4.80%
Total Cost Index figure	+4.16%	-0.01%	+5.80%

Combined sum of the 2019, 2020 and 2021 total Cost Index figures	+9.95%
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⁴ LEVC TX, <https://www.levc.com/tx-electric-taxi/>

⁵ Dynamo Taxi, <https://www.dynamotaxi.com/>

⁶ TfL licensing data, the number of licensed taxis has fallen from 18,961 in March 2020 to 14,439 in February 2022

- 7.16 The figures for each component of the 2019, 2020 and 2021 Cost Index are enclosed in Appendix 3.
- 7.17 For several years, average fares across Tariffs 1, 2 and 3 were increased by the total Cost Index figure. Tariff 3 applies to taxi journeys at night. It is the highest rate and was introduced to encourage taxi drivers to work at night and increase the supply of available taxis at night. Previously increasing Tariff 3 by the total Cost Index figure may have contributed to a perception amongst some people that taxi fares are too expensive late at night.
- 7.18 The options in the consultation that involved increases to the fares and tariffs were both informed by the exact combined sum of the 2019, 2020, and 2021 total Cost Index figures (+9.95 per cent).

8 Review of taxi fares and tariffs

- 8.1 Taxi fares and tariffs were last updated by TfL in January 2020 using the Cost Index calculation from 2018. We had planned to carry out a new review in 2020 and consult on potential changes but did not due to the coronavirus pandemic. We thought it would not be appropriate to consider potential changes to taxi fares and tariffs during a public health emergency, when the demand for taxis reduced so significantly, and whilst demand for taxi journeys fell by approximately 95 per cent. It was also felt that we should concentrate on helping the taxi trade play an essential role in helping London through the pandemic.
- 8.2 We now believe it is the right time to consider changes to taxi fares and tariffs as part of the overall recovery of the trade in London.
- 8.3 The taxi fares and tariffs review takes into consideration that:
- (a) taxi drivers' operating costs have increased significantly since fares and tariffs were last changed in January 2020;
 - (b) we need to decide how we use the Cost Index figures from 2019, 2020 and 2021 as these have not been used in any review of taxi fares and tariffs to date;
 - (c) the 2019 Cost Index figure is particularly important as this was the first time the cost of the new ZEC taxis was included in the Cost Index. ZEC taxis are more expensive than diesel taxis and the 2019 update captures for the first time the increase in vehicle costs and the switch from the taxi fleet being almost all diesel to ZEC taxis being part of the fleet. The total Cost Index figure for 2019 was +4.16 per cent. The taxi vehicle component of this was +1.24 per cent and second largest component in the update;
 - (d) the cost of working at Heathrow Airport has doubled for taxi drivers – fees to access the taxi feeder park and taxi ranks at the airport increased in July 2021;

- (e) it is expected that from April 2022 taxi drivers will have to pay a new charge when dropping off passengers at one of the terminals at Heathrow Airport – the Heathrow (TDOC); and
- (f) if the supply of available taxis declines or wait times increase then:
 - (i) some users may not be able to make a journey, and people who rely on taxis or use them more often may be disproportionately affected including those who share protected characteristics under the Equality Act 2010; and
 - (ii) some people may choose a less safe option (e.g. using an unlicensed vehicle or unbooked private hire vehicle (PHV), or walking when this could be less safe).

8.4 It is also important that taxi drivers are fairly paid to ensure that:

- (a) taxi driving remains a viable career and licensed taxi drivers do not stop being a taxi driver as this could affect the supply of taxis and mean taxi users are unable to get a taxi or have to wait longer for a taxi;
- (b) taxi drivers can cover their operating costs;
- (c) people will consider applying to become a licensed taxi driver. If the number of newly licensed taxi drivers falls then this could also affect the supply of taxis and increase the risk that taxi users are unable to get a taxi or have to wait longer for a taxi.

8.5 These points are always considered as part of any review of taxi fares and tariffs. However, they are particularly relevant given the impact that the coronavirus pandemic has had on London's taxi trade.

8.6 At this time it is clear that the number of licensed taxi drivers has decreased and some licensed taxi drivers have yet to return to work. A reduction in the number of licensed taxi drivers potentially has an impact on the overall viability of the taxi service in London.

8.7 It is also important that taxis remain affordable for users because:

- (a) taxis may be particularly important for some people who require an accessible vehicle or a door to door service;
- (b) taxis provide an important service late at night and if taxis are considered too expensive people may be more likely to use an unlicensed vehicle or unbooked PHV, or walk when this is a less safe option; and
- (c) if taxis are considered unaffordable and the number of people using taxis or taxi journeys declines this could reduce the availability of taxis or increase taxi wait times, as existing taxi drivers may leave the trade and people may be deterred from applying to become a taxi driver.

9 Heathrow Airport

- 9.1 Taxis are an important part of the transport arrangements at Heathrow Airport, with taxi ranks serving the terminals and a large taxi feeder park providing space for taxis to wait.
- 9.2 The coronavirus pandemic had a massive impact on Heathrow Airport with most passenger carrying flights stopped at certain times during the pandemic. As a result of the pandemic Heathrow Airport Limited (HAL) has been reviewing their fees and charges and looking to increase these to recover income lost during the pandemic.
- 9.3 The pandemic has had a huge impact on taxi drivers who work at the airport with drivers waiting several hours for a fare. It's important that taxi drivers continue to work at Heathrow Airport and a taxi service is provided.

Heathrow Extra

- 9.4 Taxi drivers must pay a fee to enter the taxi feeder park at Heathrow Airport and access the taxi ranks at the airport terminals. HAL sets the fee taxi drivers must pay to use the taxi ranks and it is calculated so as to cover HAL's costs as opposed to make a profit. HAL decide whether to increase or reduce the fee and in July 2021 they increased it from £3.60 to £7.20 owing to losses incurred during the coronavirus pandemic when demand for taxis at the airport was massively reduced. HAL was originally going to increase the fee to £10 but following discussions with the taxi trade they agreed to a slightly lower increase of £7.20 but there is no guarantee that this won't be further increased in 2022.
- 9.5 In recognition of taxi drivers having to pay a fee to enter the taxi feeder park at Heathrow Airport and access the taxi ranks, we introduced the Heathrow Extra in April 2004. Taxi drivers are allowed to charge a Heathrow "Extra" to help them cover part of the cost of the taxi feeder park fee. It has normally covered around 50 per cent of the taxi feeder park fee.
- 9.6 The Heathrow Extra is currently £2.80. Taxi drivers can add this to the fare for taxi journeys that start from one of the taxi ranks at the airport.
- 9.7 In 2014 the Finance Committee and TfL Board expressed opposition to the Heathrow Extra. However, after further consideration in a later meeting the TfL Board agreed that it should be retained.⁷

⁷ TfL Board minutes of 24 September 2014 meeting, <https://content.tfl.gov.uk/board-20141105-part-1-item03-minutes-20140924.pdf> ,

Heathrow Terminal Drop-Off Charge (TDOC)

- 9.8 In November 2021, HAL introduced a TDOC, which is currently set at £5.00 for all vehicles when dropping off people at one of the terminal drop-off zones at Heathrow Airport.⁸ This brings Heathrow into line with some other airports, such as Gatwick Airport⁹, where drivers are already charged for dropping off passengers at terminals.
- 9.9 Vehicle owners have until midnight on the following day after they have dropped off to pay the £5.00 charge. Automatic number plate recognition (ANPR) is used to manage the TDOC and if a vehicle owner does not pay the £5.00 charge in time they will be sent a parking charge notice and will have to pay £80 within 28 days, or £40 if paid within 14 days. Passengers can be dropped off in the long stay car parks at Heathrow Airport at no charge and then use the free shuttle bus to travel to the terminals.
- 9.10 Following discussion with TfL, HAL introduced a 100 per cent discount for London taxis from the TDOC. This is a discretionary discount which is valid until April 2022 and HAL has made it clear that they intend to remove the discount in April 2022 and it will not be extended. HAL intended to charge taxi drivers the TDOC from November 2021. However, the temporary discount for London taxis was introduced to recognise the fact that taxi drivers could not pass the charge onto passengers without it first being considered by the Committee. Private hire vehicles (PHVs) have not been granted this discount and many private hire operators who accept bookings to drop off at one of the Heathrow terminals now pass this fee directly onto passengers.
- 9.11 HAL introduced the taxi discount for a limited period but have not confirmed the exact date when it will end. There is a risk that if a new charge is approved to help taxi drivers cover the cost of the TDOC there could be a short period between the taxi discount ending and a new charge coming into effect on 30 April 2022. During this period taxi drivers would have to pay the TDOC but would not be able to add the new charge, if approved, on to the fare.
- 9.12 HAL has introduced a 100 per cent discount for Blue Badge holders. The discount is issued for an individual journey and to the vehicle the Blue Badge holder is travelling in and which will drop them off, so a Blue badge holder can apply for a discount for a private vehicle and also for a taxi or PHV.
- 9.13 Blue Badge holders being dropped off by taxis can apply for the discount two days after they were dropped off or up to three months in advance if they know the vehicle registration number (VRN) of the taxi they will be travelling in. When they apply for a discount the Blue Badge holder must provide the VRN of the taxi, the date of the drop off, their flight number, their Blue Badge number, a photo of the front and rear of their Blue Badge, and an email

⁸ Heathrow Terminal Drop-Off Charge, <https://www.heathrow.com/transport-and-directions/terminal-drop-off-charge>

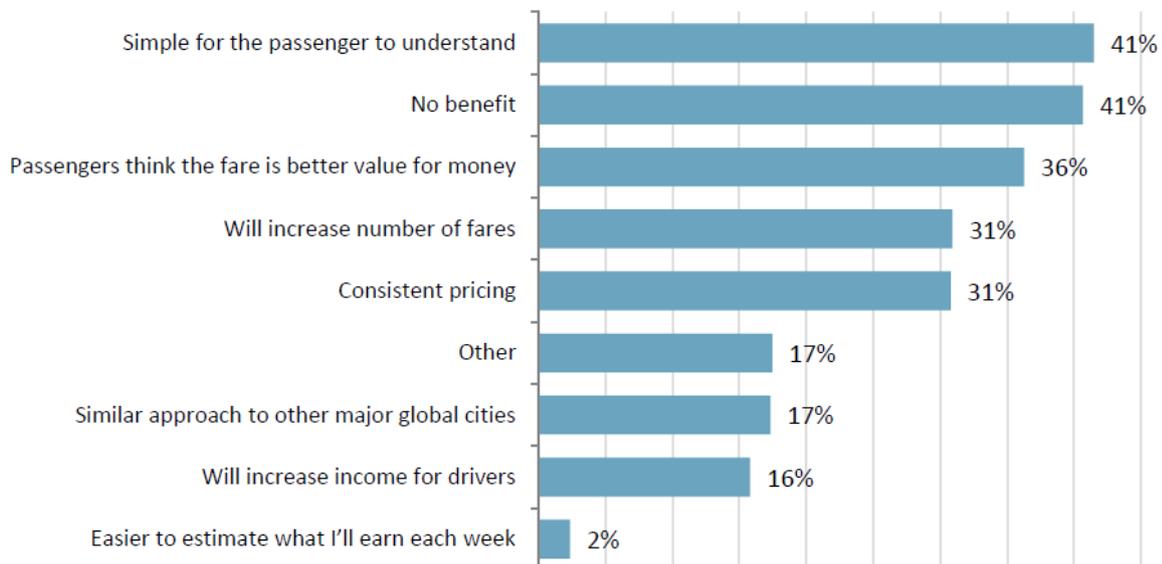
⁹ Gatwick Airport, there is a minimum £5.00 to use the designated drop off zone in the North and South Terminals, <https://www.gatwickairport.com/to-and-from/picking-up-dropping-off/>

address. A Blue Badge holder can apply for a discount for any taxi journey (e.g. booked through an app, Taxicard journey, taxi hailed on the street or at a rank). When a discount is granted an email confirming this is sent to the email address provided.

- 9.14 HAL encourage taxi drivers to have a business account and if they do they can check this to see what discounts have been granted for their taxi.
- 9.15 Given that the TDOC is something taxi drivers will have to pay we have given due consideration to whether this should be passed on to the passenger to pay.

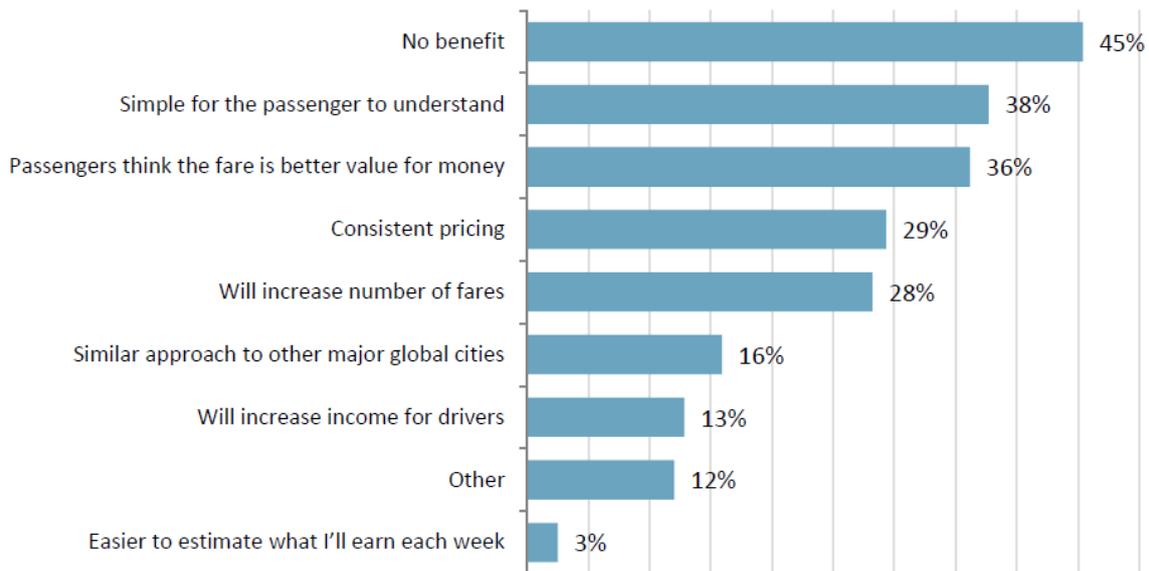
Fixed and capped fares to and from Heathrow Airport

- 9.16 We have previously explored fixed and capped fares for taxi journeys from and to Heathrow Airport. Information about this has been included in some of the previous taxi fares and tariffs consultations. In 2018 the Committee approved further work and research being conducted to look at fixed and capped fare schemes to and from Heathrow Airport.
- 9.17 Independent research on fixed and capped fares from Heathrow Airport to central London was commissioned.¹⁰ The research asked taxi drivers for their views on fixed and capped fares to and from Heathrow Airport.
- 9.18 The chart below shows what taxi drivers thought the benefits of fixed fares from the ranks at Heathrow Airport would be.



¹⁰ Heathrow Fixed/Capped Taxi Fares Survey, Steer Davies Gleave, April 2018

9.19 The chart below shows what taxi drivers thought the benefits of capped fares from the ranks at Heathrow Airport would be.



Just over half (52 per cent) of taxi drivers thought fixed fares from the airport would reduce income for taxi drivers. Around half (54 per cent) also thought the same for capped fares from the airport.

9.20 Fixed and capped fares to and from Heathrow Airport were asked about in the 2018 taxi fares and tariffs consultation. Below is a summary of some of the views of taxi users who responded to the consultation:

- (a) Sixty per cent of taxi users supported a fixed fare scheme from Heathrow Airport to central London;
- (b) Fifty-nine per cent of taxi users supported a fixed fare scheme from central London to Heathrow Airport;
- (c) Fifty-one per cent of taxi users supported a capped fare scheme from Heathrow Airport to Central London; and
- (d) Fifty-one per cent of taxi users supported a capped fare scheme from Central London to Heathrow Airport.

9.21 Fixed and capped fares were also discussed with the taxi trade associations and they spoke to their members about these. There were mixed views and overall a lack of support for introducing fixed or capped fares to or from the airport as there were too many variables that could affect fares (e.g. time of day, congestion). This was partly due to being able to set a capped or fixed fare price to strike the balance between being affordable for the passenger while still attractive to the driver regardless of time of day, road conditions, or congestion. For example:

- (a) a lower than metered fare would be attractive to passengers but taxi drivers might lose out and therefore decide not to offer fares to and from Heathrow resulting in a lack of supply; or
- (b) a higher than metered fare would be more attractive to some taxi drivers but would not strike the balance for passengers meaning a likely drop in demand.

9.22 There were also questions about whether any fixed or capped fare scheme would encourage the use of taxis when travelling to or from the airport, or would encourage the use of other modes and discourage the use of taxis for journeys to or from the airport.

9.23 Given the lack of support and agreement on how to fix a fare that strikes the balance for taxi passengers and taxi drivers we did not include any proposals around this in the most recent consultation.

9.24 It remains the case that the metered fare (plus any agreed extras) is the maximum fare that can be charged by drivers for a taxi journey. However, while not obliged to, taxi drivers can, and often do, accept a lower fare, if agreed in advance with taxi passengers. This provides drivers with the flexibility of understanding the local conditions (e.g. time of day, congestion) and agreeing to a suitable fare.

10 Arrangements covering significant increases or decreases in diesel prices

10.1 Since July 2008 arrangements have been in place under which we would approve 40 pence being added to each taxi fare if the price of diesel reached a certain level. Arrangements have also been in place since 2016 for taxi fares to be reduced by 40 pence if diesel prices fell below a certain level, which ensures that taxi users would benefit if diesel prices reduced.

10.2 In 2019 we proposed to continue these arrangements for one final year but not to extend them as part of the next taxi fares and tariffs review as our focus is on supporting the transition from diesel taxis to ZEC taxis.

10.3 In November 2019 the Committee approved extending the fuel charge arrangements for a further year.

10.4 We are not proposing any extension to these arrangements as our focus remains on supporting the transition from diesel taxis to ZEC taxis. All newly licensed taxis must be ZEC and around 35 per cent of the taxi fleet are now ZEC.

11 Taxi Fares and Tariffs Consultation

11.1 The 2021 taxi fares and tariffs consultation launched on 8 December 2021 and closed on 2 February 2022.¹¹

Consultation material

11.2 The following documents were published in the documents section of the consultation webpage:

- (a) Our role in licensing and regulating taxi services;
- (b) Why we are reviewing taxi fares and tariffs;
- (c) The options we are consulting on;
- (d) Other options considered;
- (e) Current taxi fares and tariffs;
- (f) Previous taxi fares and tariffs changes;
- (g) The Cost Index;
- (h) Taxi users' and drivers' views on fares and tariffs;
- (i) Other factors to consider;
- (j) Taxicard scheme;
- (k) Impact assessments; and
- (l) Equality impact assessment (EqIA).

11.3 All of these documents are still available on the TfL consultation portal.¹²

11.4 We produced an Easy Read version of the consultation material and consultation questions.¹³

11.5 British Sign Language (BSL) videos¹⁴ of the consultation material and consultation questions were produced and associations who support deaf people were advised of this.

Consultation promotion

11.6 There have been some comments from the taxi trade saying we should not consult publicly or with users on taxi fares. We do not agree with this and think it is important that we consult with a wide range of stakeholders, including taxi users.

11.7 For this consultation we sought views from a wide range of stakeholders including:

¹¹ TfL 2021 Review of taxi (black cab) fares and tariffs in London consultation, <https://haveyoursay.tfl.gov.uk/taxi-fares-2021>

¹² TfL 2021 Review of taxi (black cab) fares and tariffs in London, consultation documents, <https://haveyoursay.tfl.gov.uk/taxi-fares-2021/widgets/37158/documents>

¹³ TfL 2021 Review of taxi (black cab) fares and tariffs in London, Easy Read documents, <https://haveyoursay.tfl.gov.uk/taxi-fares-2021/widgets/39174/documents>

¹⁴ TfL 2021 Review of taxi (black cab) fares and tariffs in London, BSL videos, <https://haveyoursay.tfl.gov.uk/taxi-fares-2021/widgets/39967/videos/2795> and <https://haveyoursay.tfl.gov.uk/taxi-fares-2021/widgets/39967/videos/2796>

- (a) Taxi users;
- (b) Taxi drivers;
- (c) Taxi vehicle owners;
- (d) Taxi trade associations;
- (e) London boroughs;
- (f) London MPs and GLA Assembly Members; and
- (g) stakeholder organisations representing the following groups/interests:
- (h) accessibility and disability;
- (i) age/elderly people;
- (j) Women;
- (k) Lesbian, gay, bisexual and transgender (LGBT+) community;
- (l) Youth;
- (m) Health; and
- (n) Commerce, local traders and the night-time economy.

11.8 The consultation was promoted using a range of methods including:

- (a) emails to taxi licensees;
- (b) emails to other stakeholders;
- (c) an article on the TfL page in the Metro;
- (d) featuring on the homepage of the TfL website;
- (e) inclusion in the TfL accessibility newsletter for local accessibility groups and organisations in London;
- (f) at the Inclusive Transport Forum;
- (g) through London Councils; and
- (h) the TfL Taxi and Private Hire (TPH) Twitter account.

Consultation questions

11.9 The consultation asked respondents:

- (a) for their views on the current minimum fare and tariffs;
- (b) for their views on the value for money of taxi fares in London;
- (c) if they supported or opposed each of the three options on the minimum fare and tariffs;
- (d) if they thought the Heathrow Extra should be frozen, removed or increased;
- (e) if they thought the Heathrow Extra should be increased what they thought it should be;
- (f) if they thought there should be an extra charge taxi passengers pay when being dropped off at one of the terminals at Heathrow Airport to help taxi drivers cover the cost of the TDOC introduced by HAL;
- (g) if they thought there should be an extra charge to cover the cost of the TDOC what this should be; and
- (h) if they had any other comments.

12 Consultation responses and recommendations

12.1 We received 1,949 responses to the consultation. The table below shows who the responses were from:

Respondent type	Number of responses	%
Taxi user	791	40.58%
Taxicard member	31	1.59%
Taxi driver	744	38.17%
Non-taxi user	182	9.34%
PHV operator	6	0.31%
PHV driver	17	0.87%
A representative of an organisation	19	0.97%
Not known	159	8.16%
Total	1949	100.00%

12.2 A summary of responses is enclosed in Appendix 4.

12.3 The consultation responses were analysed and reported on by an external consultant. The free text 'open' questions in the consultation allow us to capture qualitative views of respondents. This feedback is then quantified through thematic analysis and a 'code frame' of themes and topics created. The full code frame is enclosed in Appendix 5.

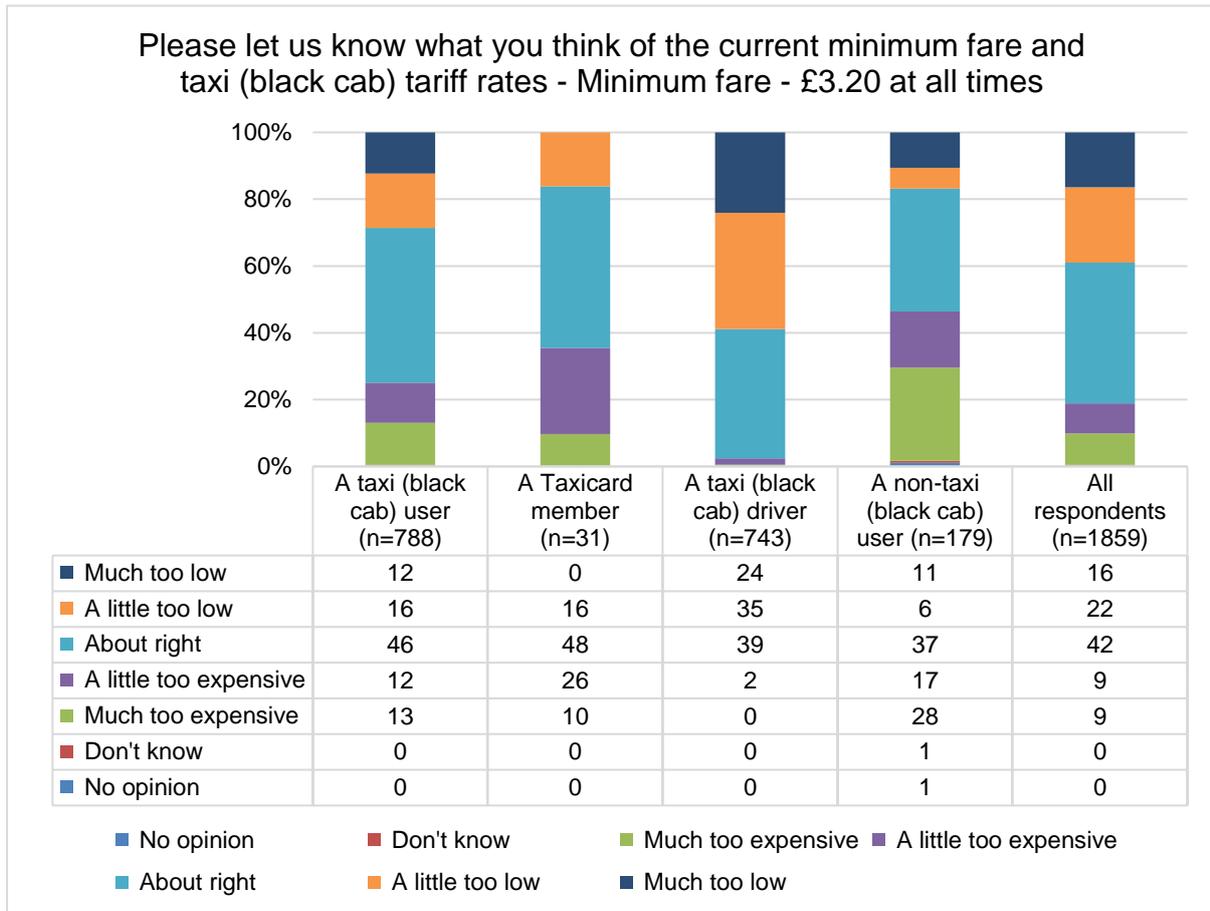
13 Current minimum fare and tariffs

Consultation responses

13.1 The charts below show the responses to the questions seeking views on the current minimum fare and tariffs.

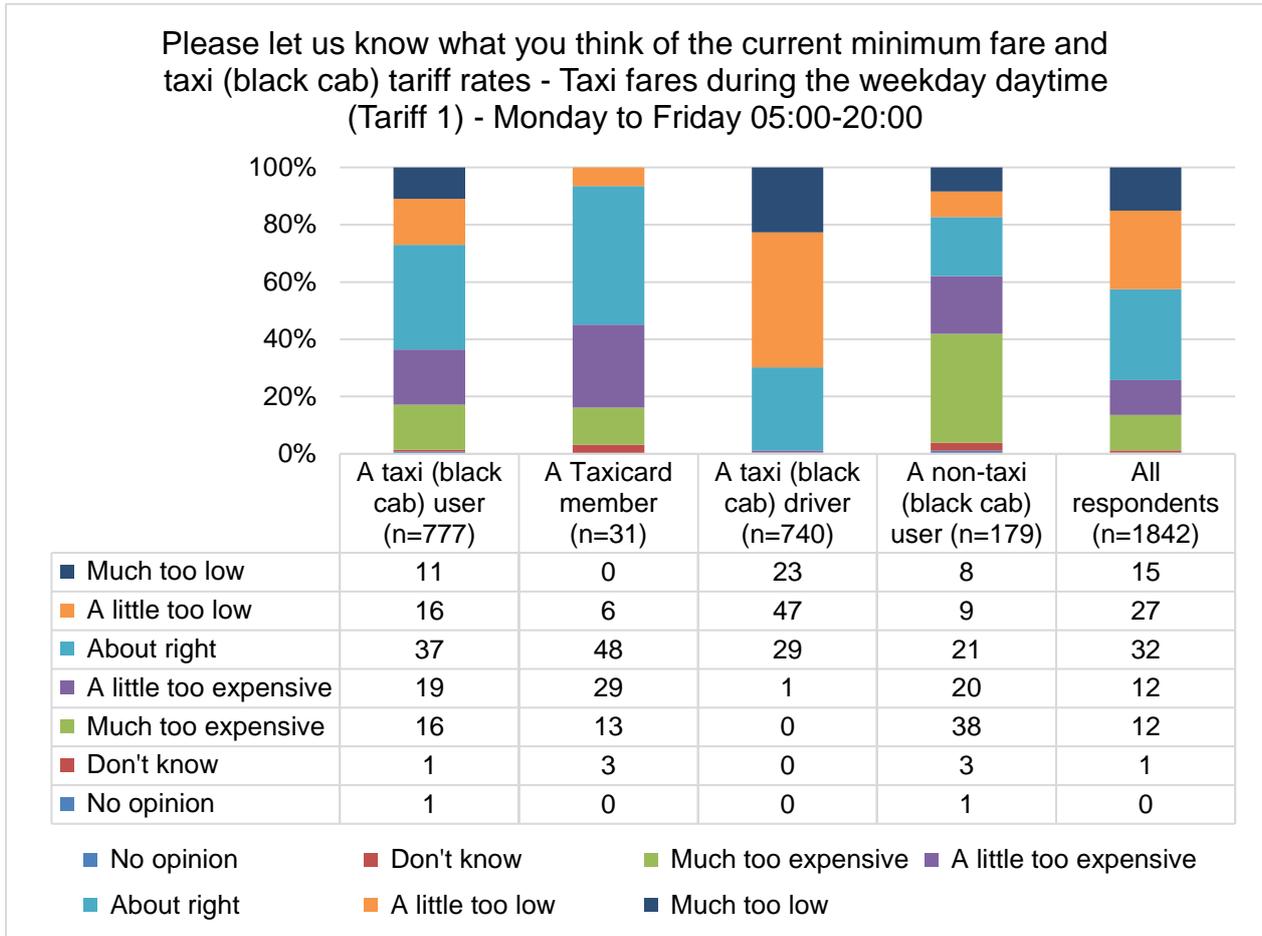
13.2 Views on the current minimum fare and tariffs are provided in Appendix 4.

Minimum fare



- 13.3 Twenty-eight per cent of taxi users, 16 per cent of Taxicard members and 59 per cent of taxi drivers thought the minimum fare was too low.
- 13.4 Forty-six per cent of taxi users, 48 per cent of Taxicard members and 39 per cent of taxi drivers thought the minimum fare was about right.
- 13.5 Twenty-five per cent of taxi users, 36 per cent of Taxicard members and two per cent of taxi drivers thought it was too expensive.

Taxi fares during the weekday daytime (Tariff 1) – Monday to Friday 05:00-20:00

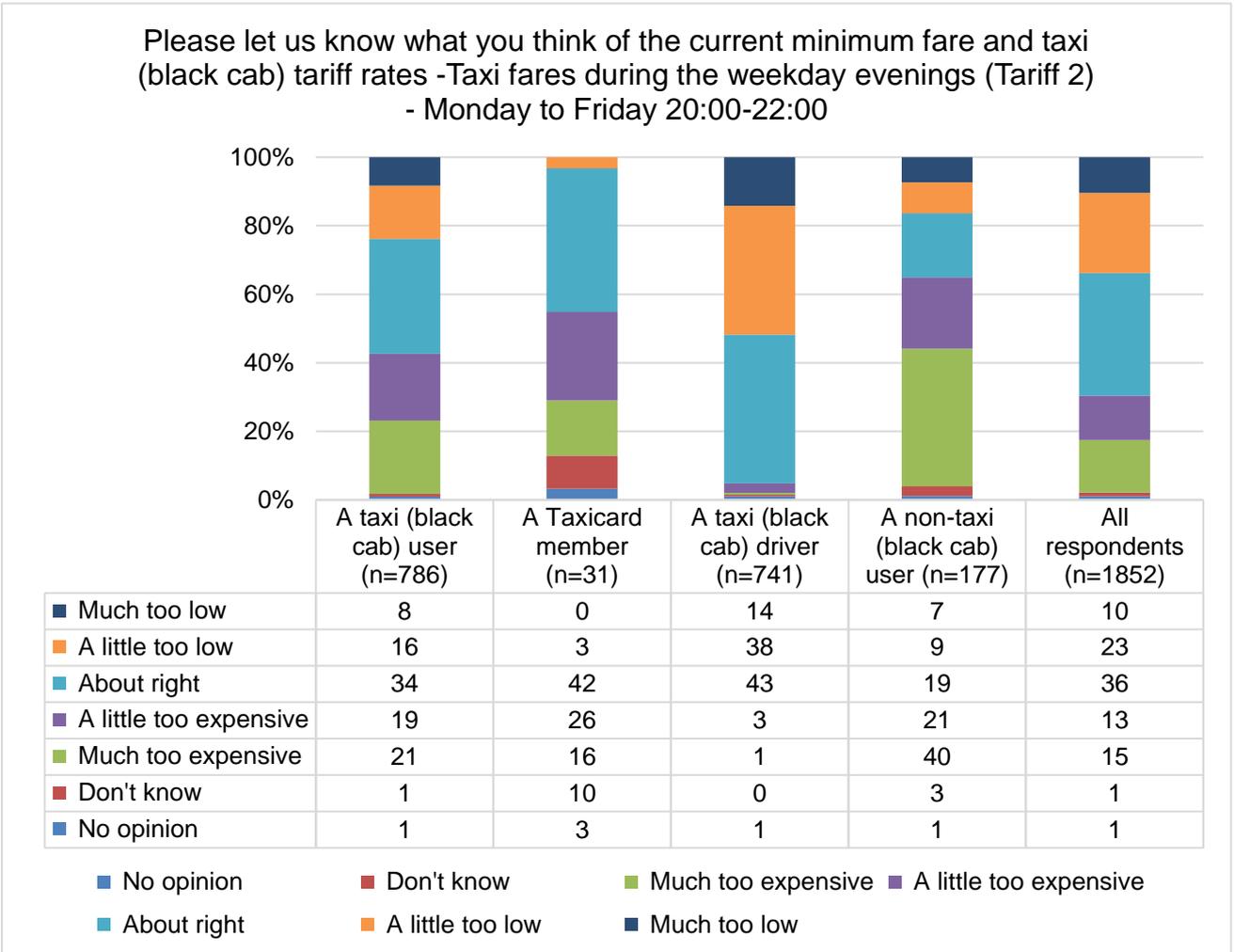


13.6 Twenty-seven per cent of taxi users, six per cent of Taxicard members and 70 per cent of taxi drivers thought taxi fares during the weekday daytime (Tariff 1) – Monday to Friday 05:00-20:00 were too low.

13.7 Thirty-seven per cent of taxi users, 48 per cent of Taxicard members and 29 per cent of taxi drivers thought they were about right.

13.8 Thirty-five per cent of taxi users, 42 per cent of Taxicard members and one per cent of taxi drivers thought they were too expensive.

Taxi fares during the weekday evenings (Tariff 2) – Monday to Friday 20:00-22:00

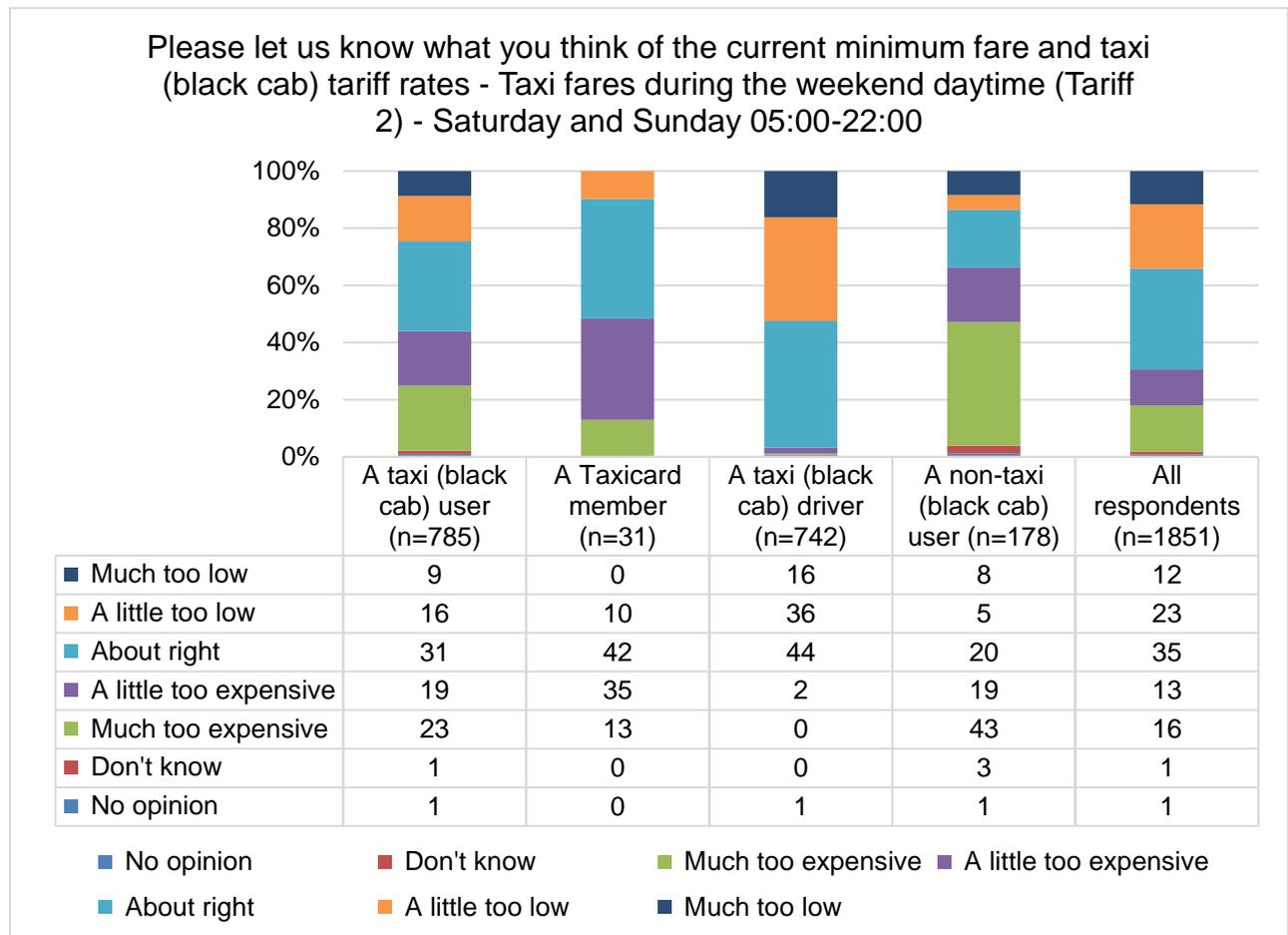


13.9 Twenty-four per cent of taxi users, three per cent of Taxicard members and 52 per cent of taxi drivers thought taxi fares during the weekday evenings (Tariff 2) – Monday to Friday 20:00-22:00 were too low.

13.10 Thirty-four per cent of taxi users, 42 per cent of Taxicard members and 43 per cent of taxi drivers thought they were about right.

13.11 Forty per cent of taxi users, 42 per cent of Taxicard members and four per cent of taxi drivers thought they were too expensive.

Taxi fares during the weekend daytime (Tariff 2) – Saturday and Sunday 05:00-22:00



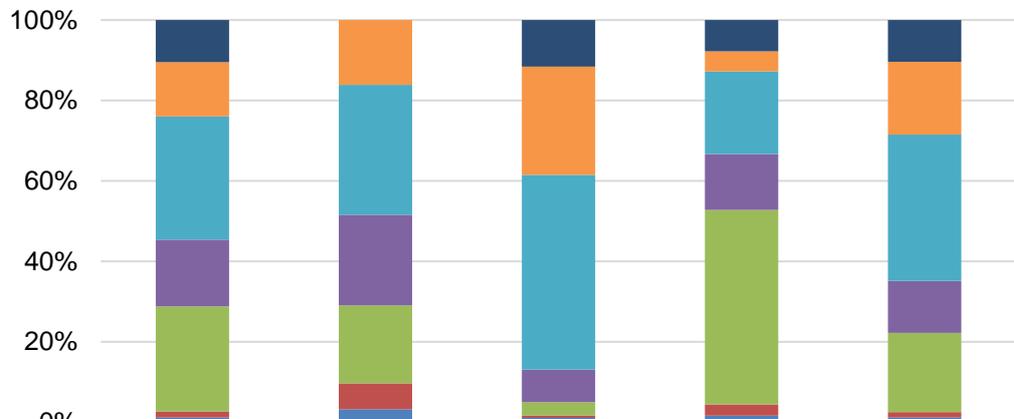
13.12 Twenty-five per cent of taxi users, 10 per cent of Taxicard members and 52 per cent of taxi drivers thought taxi fares during the weekend daytime (Tariff 2) – Saturday and Sunday 05:00-22:00 were too low.

13.13 Thirty-one per cent of taxi users, 42 per cent of Taxicard members and 44 per cent of taxi drivers thought they were about right.

13.14 Forty-two per cent of taxi users, 48 per cent of Taxicard members and two per cent of taxi drivers thought they were too expensive.

Taxi fares late at night (Tariff 3) – Every night 22:00-05:00

Please let us know what you think of the current minimum fare and taxi (black cab) tariff rates - Taxi fares late at night (Tariff 3) - Every night 22:00-05:00



	A taxi (black cab) user (n=784)	A Taxicard member (n=31)	A taxi (black cab) driver (n=743)	A non-taxi (black cab) user (n=180)	All respondents (n=1854)
■ Much too low	10	0	12	8	10
■ A little too low	14	16	27	5	18
■ About right	31	32	48	21	36
■ A little too expensive	17	23	8	14	13
■ Much too expensive	26	19	3	48	20
■ Don't know	2	6	1	3	1
■ No opinion	1	3	1	2	1

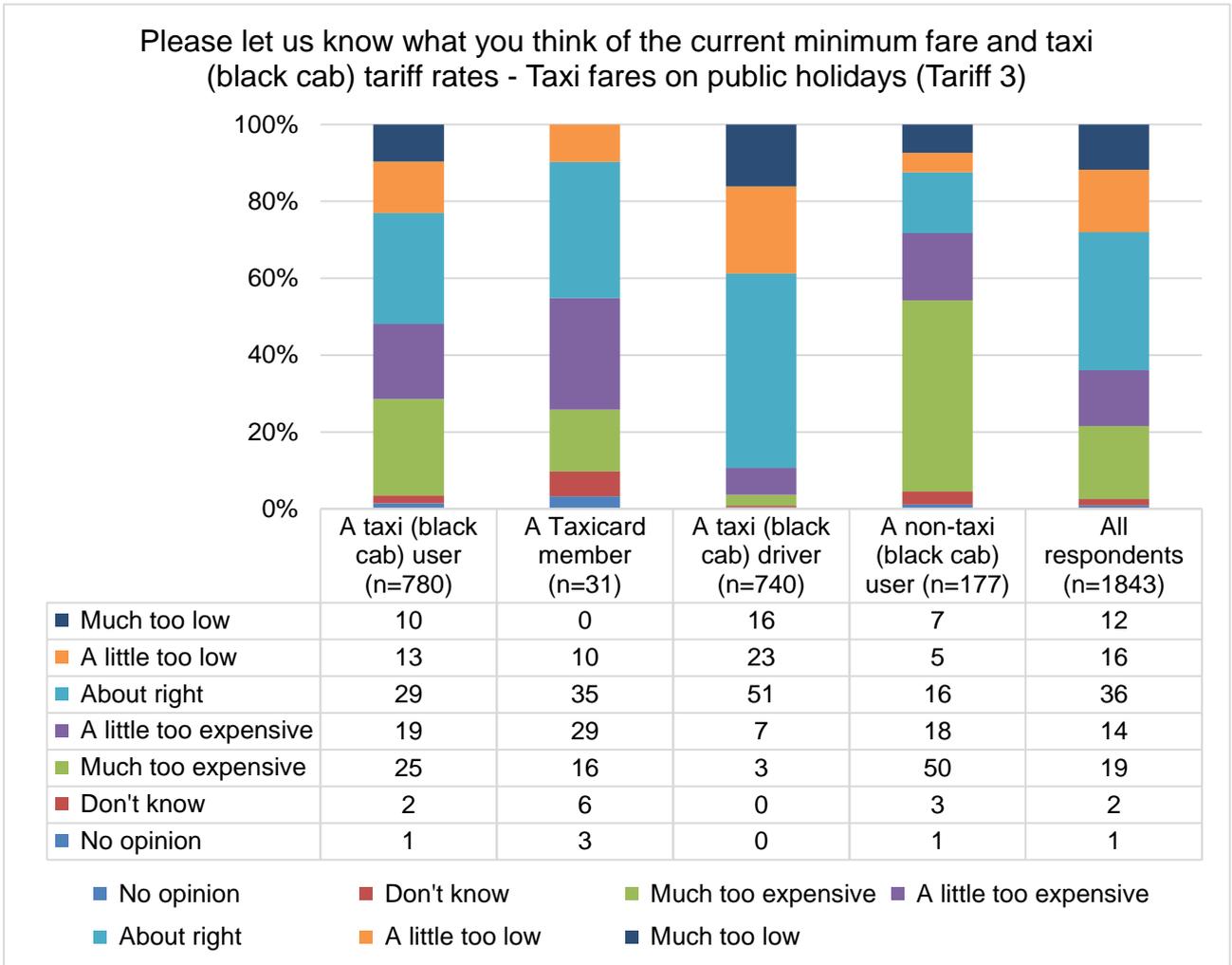
■ No opinion ■ Don't know ■ Much too expensive ■ A little too expensive
 ■ About right ■ A little too low ■ Much too low

13.15 Twenty-four per cent of taxi users, 16 per cent of Taxicard members and 39 per cent of taxi drivers thought taxi fares late at night (Tariff 3) – every night 22:00-05:00 were too low.

13.16 Thirty-one per cent of taxi users, 32 per cent of Taxicard members and 48 per cent of taxi drivers thought they were about right.

13.17 Forty-three per cent of taxi users, 42 per cent of Taxicard members and 11 per cent of taxi drivers thought they were too expensive.

Taxi fares on public holidays (Tariff 3)

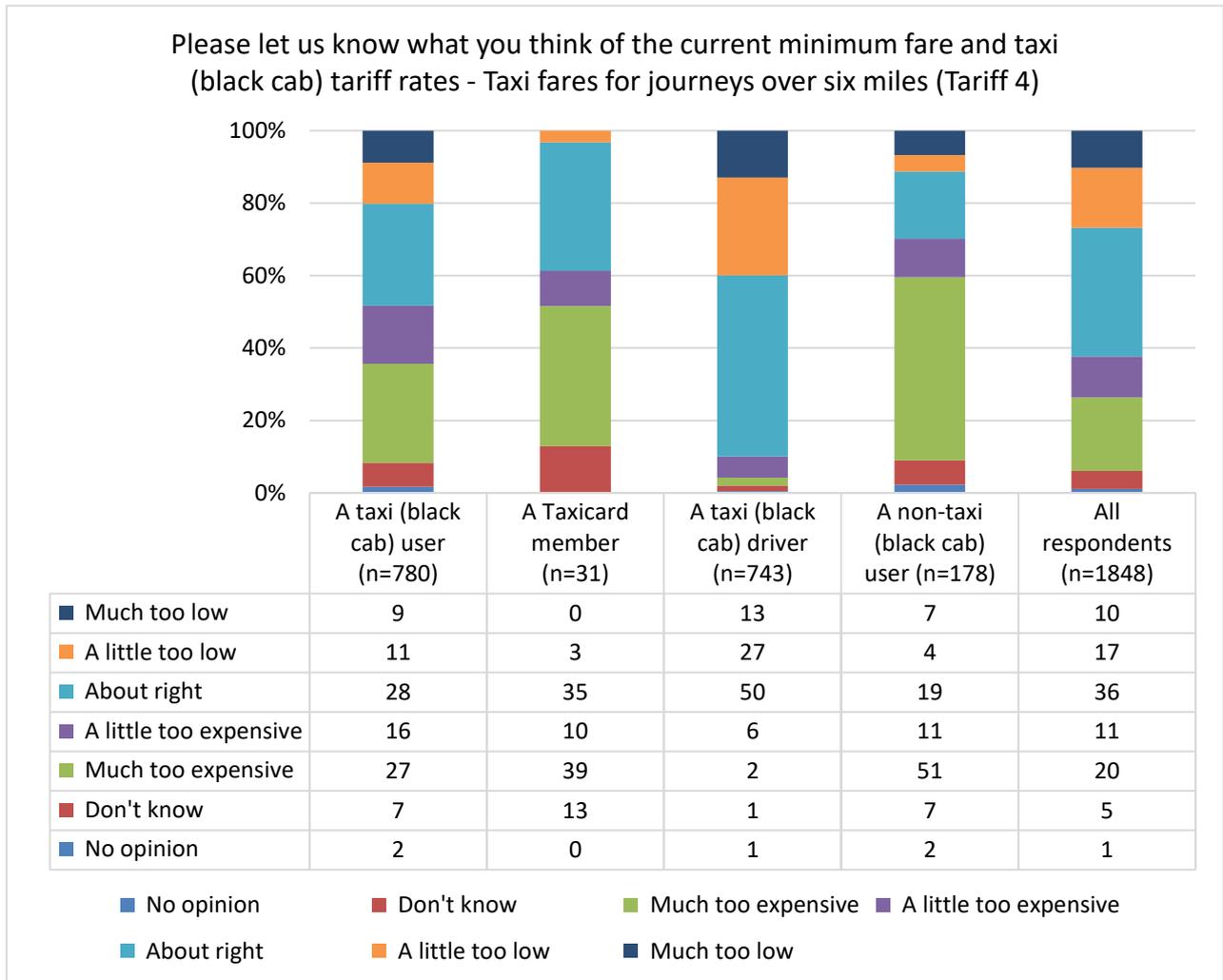


13.18 Twenty-three per cent of taxi users, 10 per cent of Taxicard members and 39 per cent of taxi drivers thought taxi fares on public holidays (Tariff 3) were too low.

13.19 Twenty-nine per cent of taxi users, 35 per cent of Taxicard members and 51 per cent of taxi drivers thought they were about right.

13.20 Forty-four per cent of taxi users, 45 per cent of Taxicard members and 10 per cent of taxi drivers thought they were too expensive.

Taxi fares for journeys over six miles (Tariff 4)



13.21 Twenty per cent of taxi users, three per cent of Taxicard members and 40 per cent of taxi drivers thought taxi fares for journeys over six miles (Tariff 4) were too low.

13.22 Twenty-eight per cent of taxi users, 35 per cent of Taxicard members and 50 per cent of taxi drivers thought they were about right.

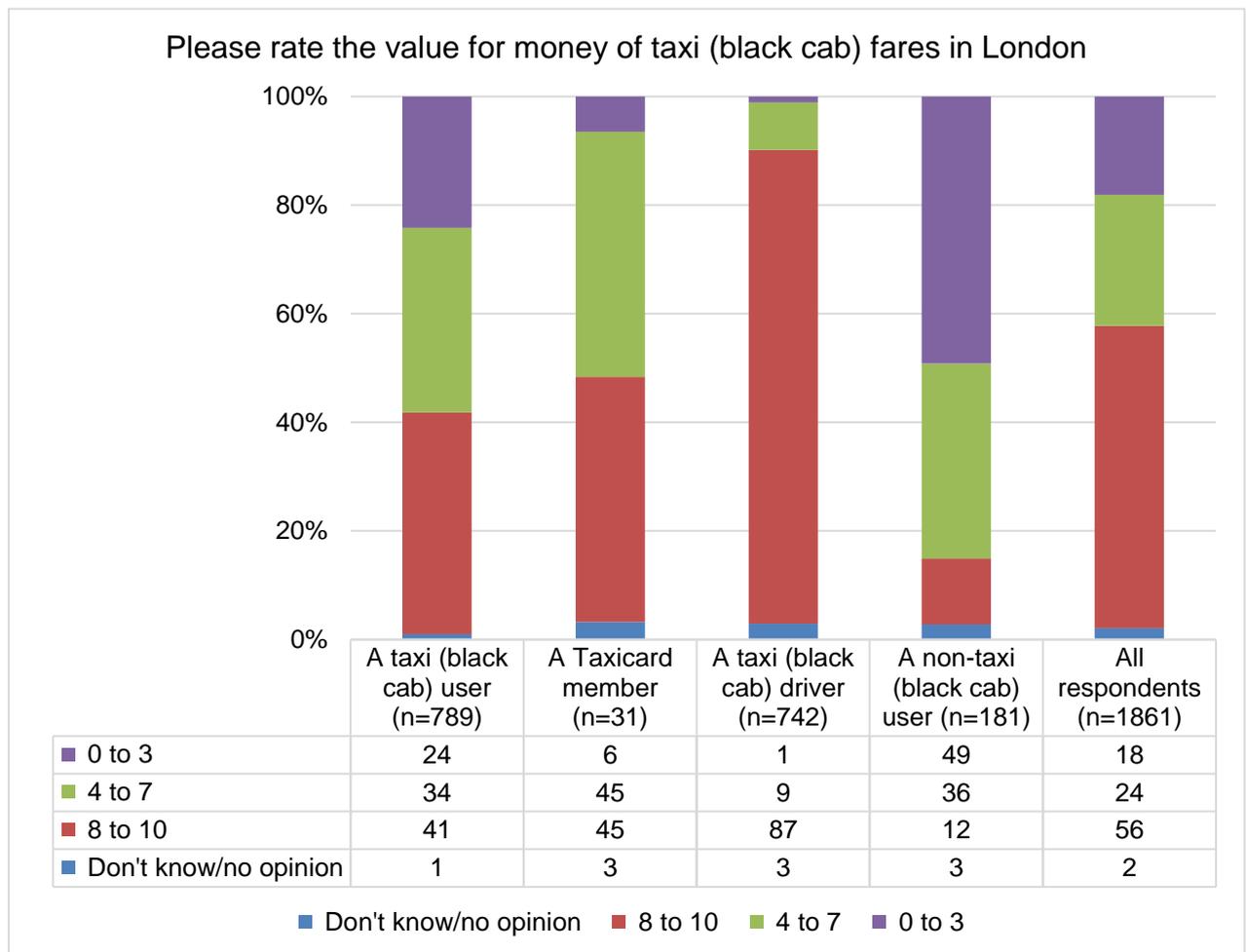
13.23 Forty-three per cent of taxi users, 49 per cent of Taxicard members and eight per cent of taxi drivers thought they were too expensive.

14 Value for money of taxi fares in London

Consultation responses

14.1 The chart below shows the responses to the question asking respondents to rate the value for money of taxi fares in London.

14.2 The stakeholders' ratings for the value for money of taxi fares in London are enclosed in Appendix 4.



14.3 Respondents were asked to rate the value for money of taxi fares in London on a scale of zero (extremely poor value for money) to 10 (extremely good value for money).

14.4 Twenty-four per cent of taxi users, six per cent of Taxicard members and one per cent of taxi drivers gave a rating between zero to three.

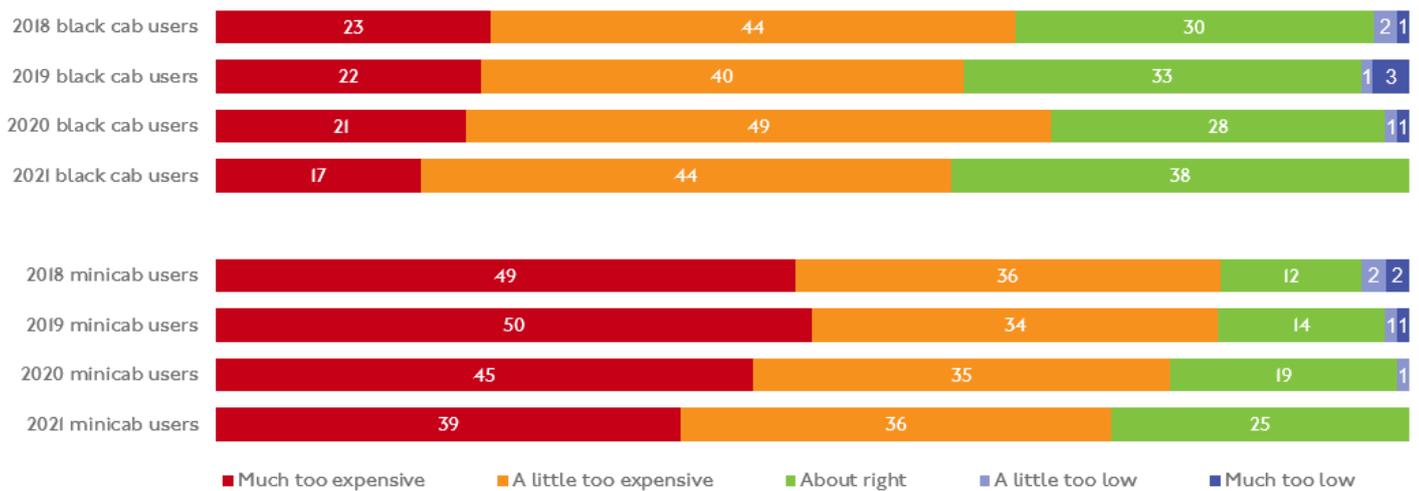
14.5 Thirty-four per cent of taxi users, 45 per cent of Taxicard members and nine per cent of taxi drivers gave a rating of four to seven.

14.6 Forty-one per cent of taxi users, 45 per cent of Taxicard members and 87 per cent of taxi drivers gave a rating of eight to 10.

Taxi and private hire customer satisfaction surveys

14.7 We carry out annual customer satisfaction surveys (CSS) amongst taxi and private hire drivers, and taxi and minicab users.

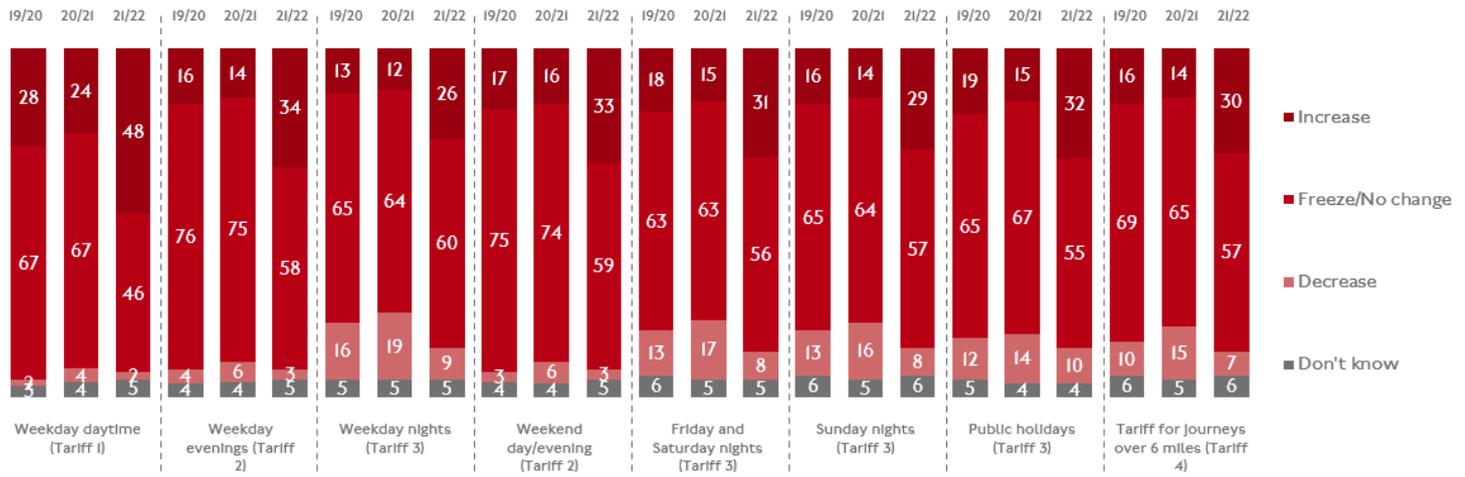
14.8 The chart below shows taxi and minicab users' general opinion of taxi fares.¹⁵ In the most recent survey 61 per cent of taxi users thought taxi fares were a little or much too expensive, down from 70 per cent in the previous survey. Thirty-eight per cent thought taxi fares were about right, up from 28 per cent in the previous survey.



14.9 The chart below shows taxi drivers' views of the tariffs.¹⁶ In the 2021/22 survey the majority of taxi drivers surveyed said the tariffs should be frozen/there should be no change. The exception was for the weekday daytime tariff (Tariff 1) and forty-eight per cent of taxi drivers thought this should be increased.

¹⁵ Black cab and Minicab CSS, Kantar, 2021/22

¹⁶ Taxi and Private Hire Licensee CSS, Kantar, 2021/22



14.10 In the 2021/22 survey 48 per cent of taxi drivers thought the minimum fare should be increased, with 46 per cent saying it should be frozen/there should be no change.

15 Other factors

15.1 For this review of taxi fares and tariffs a number of other factors were considered and information about these was published with the consultation.¹⁷ The other factors were:

- (a) congestion, delays, increased journey times and restrictions;
- (b) competitiveness and fares for other services;
- (c) impact of the coronavirus pandemic (see section 4); and
- (d) demand for taxis.

Congestion, delays, increased journey times and restrictions

15.2 The taxi trade associations, some taxi drivers and some taxi users have said that the problem of fares being considered too expensive is partly a result of:

- (a) increased congestion and delays;
- (b) increased journey times;
- (c) a reduction in road space capacity;
- (d) the reallocation of road space;
- (e) restrictions on access for taxis; or
- (f) increased journey distances.

15.3 The taxi trade associations and some taxi drivers have also said that these factors have had a significant negative impact on taxi drivers and their income, as some people have been deterred from using taxis after having a negative experience where their journey took longer and the fare was higher.

15.4 The taxi driver associations have said that if taxis were allowed access to certain bus lanes or roads they cannot currently use then this would help reduce journey times and fares for passengers. They have suggested that this should be one of the priorities for TfL when considering options for making taxi fares more competitive and less expensive for users.

15.5 In their joint response to the consultation the taxi trade associations commented on the ability of disabled and elderly people to afford taxis and said:

¹⁷ TfL 2021 Review of taxi (black cab) fares and tariffs in London, Other factors to consider, https://ehq-production-europe.s3.eu-west-1.amazonaws.com/26204ebbc28a297f00168b61e326462aac54936e/original/1638869411/d71302dc16f8e84755bd087929115d4b_other-factors-to-consider_%281%29.pdf?X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIAIBJCUK4ZO4WUUA%2F20220124%2F%2F%2Fs3%2Faws4_request&X-Amz-Date=20220124T095452Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=ffe7dc535e3e740d778332fca7783805c4608969059baa527211b2f32c138040

“In any case, perhaps access may be a more important factor in making fares unaffordable to the elderly, infirm and disabled than a tariff increase. Due to LTNs [low traffic neighbourhoods], schemes such as bank junction, certain bus lanes, etc, that restrict taxi access and otherwise increase journey times and by doing so, increase fares.

As an example, a trip from Moorfields Eye Hospital to the nearby Islington LTN could easily more than double the fare to a disabled passenger that needs a door to door service as opposed to an able-bodied passenger able to be set down at a barrier a few metres from their destination.”

15.6 Some taxi users also commented on these issues when responding to the consultation. Comments included:

“When stuck in traffic, black cabs are horrendously expensive. I once paid £40 for what was usually a £10 journey due to bad traffic. There is no way to plan for this, and you are essentially trapped inside a cabin with a meter ticking into unaffordable territory and nothing you can do about it.”

“I think the current fares are fair, but general traffic congestion is making any trip very expensive, especially for a commuter.”

Competitiveness and fares for other services

15.7 The consultation asked respondents for their views on the:

- (a) current minimum fare and tariffs rates; and
- (b) value for money of taxi fares in London.

15.8 The responses to these questions are enclosed in sections 12 and 13.

15.9 Following feedback from the Committee in 2018, the issue of competition has been given greater consideration in taxi fares and tariffs reviews.

15.10 The taxi trade associations and some taxi drivers have previously questioned the greater focus on competition. Feedback received has included:

- (a) it is unfair to try and compare taxi services with private hire services as differences (e.g. the wide range of cheaper vehicles private hire drivers can use) mean that this is an unfair comparison;
- (b) private hire operators are able to set their own fares and increase or decrease fares at any time and in response to varying factors, and this was seen as another reason for comparisons and focussing on competition being unfair;
- (c) comparing taxi fares with fares for some private hire operators is an unfair comparison as some operators are heavily subsidised by investors and may be keeping their fares artificially low;

- (d) some operators' fares are automatically increased during periods of high demand and this can actually make taxis much more competitive and cheaper than booking a PHV with some operators; and
- (e) taxi drivers are competing with each other for taxi journeys and are increasingly being asked for quotes or if they will accept a fixed fare before being hired, with more taxi drivers offering fixed fares.

15.11 Questions have previously been asked about what services we should be comparing taxis to and if taxi fares should be compared to fares for:

- (a) minicabs;
- (b) minicab and all other private hire services (e.g. executive/chauffeur services);
- (c) specific private hire operators; or
- (d) all modes including buses and the Tube.

15.12 The aim and desired outcome of considering competition has also been questioned and whether we are trying to make taxis cheaper than these other services, around the same price or if we accept that they will be more expensive because of certain factors (e.g. taxi drivers must undertake the Knowledge of London or the requirements that vehicles must meet).

15.13 In their joint response to the consultation the taxi trade associations said that there had been several factors that had levelled the playing field between taxi and PHV services. They said these included PHVs having to pay the Congestion Charge, the recent Supreme court ruling classing some PHV drivers as workers, and some PHV operators increasing their fares by 10 per cent.

Demand for taxis

15.14 When reviewing taxi fares and tariffs, we consider the impact of potential changes on both taxi users and drivers, and if fare increases will lead to fewer people using taxis and result in reduced income for taxi drivers.

15.15 Previous research has shown that the number of taxi journeys in a typical day has been falling. In 2009¹⁸ there were around 185,000 taxi journeys in a typical day but in 2016/17¹⁹ this figure had fallen to around 109,000. The coronavirus pandemic will also have had a very significant impact on the number of taxi journeys since March 2020.

15.16 The Committee has previously commented on the use of 'big data' to inform decisions on taxi fares and tariffs. We continue to carry out annual passenger and licensee satisfaction surveys in which we asked taxi drivers, taxi users and also minicab users for their views on taxi fares and tariffs. However, we

¹⁸ Taxi & PHV Driver Diary Survey, GfK NOP, 2009

¹⁹ Taxi and Private Hire Driver Diary Survey 2016/17, Steer Davies Gleave, October 2017

are not in a position to update the 2016/17 research as funding is not available for this. Using data from the taxi booking companies has been considered in the past but this has limitations as it only covers booked taxi journeys, not those hailed on the street or taken from taxi ranks, and there are commercial sensitivity issues which mean the companies can be understandably reluctant to share data.

- 15.17 It's possible that some of the measures put in place during the coronavirus pandemic may have a long term impact on demand for taxis. For example people may continue to work from home more often, and the number of people travelling for work or meetings may remain lower. This would mean the demand for taxis from commuters and office workers continues to be below pre-pandemic levels. Increases in inflation and the cost of living, and low or no wage increases for some people could also have a negative impact on taxi drivers and result in demand for taxis falling or being suppressed.
- 15.18 Other sources of work for taxi drivers may take some time to recover to pre-pandemic levels. As an example, HAL's forecasting suggests passenger numbers at the airport may not reach pre-pandemic levels until 2025.

16 Impacts

- 16.1 For this review of taxi fares and tariffs we have considered and taken into account:
- (a) health and safety, including crime and disorder, impacts;
 - (b) economic impacts;
 - (c) environmental impacts; and
 - (d) impacts in relation to the protection of children and vulnerable adults.
- 16.2 Our impact assessments were published with the consultation material so as respondents could review and comment on these.²⁰

17 Equality impacts

- 17.1 Under section 149 of the Equality Act 2010, TfL is subject to the public sector equality duty which requires TfL to have '*due regard*' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. This duty is a continuing one.
- 17.2 Our equality impact assessment (EqIA) was published with the consultation material so as respondents could review and comment on this.²¹

²⁰ TfL 2021 Review of taxi (black cab) fares and tariffs in London, consultation documents, <https://haveyoursay.tfl.gov.uk/taxi-fares-2021/widgets/37158/documents>

²¹ TfL 2021 Review of taxi (black cab) fares and tariffs in London, consultation documents, <https://haveyoursay.tfl.gov.uk/taxi-fares-2021/widgets/37158/documents>

- 17.3 Our EqIA and other impact assessment documents are enclosed in Appendix 6 and Appendix 7. These have been updated to include our recommendations.
- 17.4 The impact assessments identify negative and positive impacts from increasing fares and tariffs, increasing the Heathrow Extra and introducing a new Heathrow drop off charge. Negative impacts identified included:
- (a) taxi fares and tariffs increase and taxi users and Taxicard members pay higher fares or cannot travel as often as they want to;
 - (b) taxi fares and tariffs increase and there is a decline in the number of taxi journeys or people using taxis, drivers' incomes decline and they cannot cover their operating costs. This could lead to a decline in the number of licensed taxi drivers or people applying to become a taxi driver, and the availability of taxis reducing or wait times increasing;
 - (c) fares to and from and Heathrow Airport increase and taxi users and Taxicard members pay higher fares when travelling to or from the airport; and
 - (d) fares to and from and Heathrow Airport increase and there is a decline in the number of people travelling to or from the airport by taxi, and drivers' incomes reduce.
- 17.5 We understand that the majority of disabled Londoners (61 per cent) would travel more often than they currently do if they did not experience barriers such as access or cost constraints.²² The EqIA identified that the severity of negative impacts if fares and tariffs are increased may be greater for individuals with more than one protected characteristic (e.g. if someone is disabled and elderly).
- 17.6 The taxi trade associations proposed a modified version of one of the options we consulted on (option three). The table below shows the option we consulted on, the trade's modified proposal and the differences between these.

	Option Three	Modified Option Three (trade's proposal)
Minimum fare	Increase by 80 pence (£3.20 to £4.00)	Increase by 60 pence (£3.20 to £3.80)
Tariff 1	Increase by 4.03%	Increase by 5.51%
Tariff 2	Increase by 4.03%	Increase by 5.51%
Tariff 3	No change	No change
Tariff 4	No change	No change

²² Travel in London: Understanding our diverse communities 2019

- 17.7 Some elderly or disabled people may be reliant on taxis or use them more often, including for short journeys, or may find it more difficult to use alternative modes of transport. They may be disproportionately impacted by increases to the minimum fare. The impact from the increase to the minimum fare in the modified option three is considered to be less significant than the impact from the option consulted on as the increase is lower (60 pence instead of 80 pence).
- 17.8 The increase to Tariffs 1 and 2 is greater (5.51 per cent instead of 4.03 per cent) in the modified version of option three and the fares for some journeys will be higher, especially if there are delays or increases to journey times. However, Tariffs 3 and 4 are frozen under both options.
- 17.9 The EqIA identified a negative impact for taxi drivers, many of whom are in older age groups, if increases to the minimum fare or tariffs result in fewer people using taxis and drivers' incomes reducing. It was acknowledged that the impact on older taxi drivers may be greater if they are unable to respond to this impact or, work longer hours.
- 17.10 We have tried to mitigate the negative impacts by recommending:
- (a) no increase to the most expensive tariff rates (Tariffs 3 and 4);
 - (b) increases to Tariffs 1 and 2 that are less than the sum of the 2019, 2020 and 2021 total Cost Index figures (+9.95 per cent) and also less than the 2021 total Cost Index figure (+5.80 per cent);
 - (c) increases to Tariffs 1 and 2 that are only marginally more than the Consumer Prices Index (CPI) figure (5.4 per cent) and less than the Retail Prices Index (RPI) figure (7.5 per cent);²³ and
 - (d) reducing the increase to the minimum fare that was consulted on.
- 17.11 Although there could be a negative impact for taxi drivers from increases to the individual tariffs which are lower than the Cost Index figure and inflation, we believe that larger increases than those recommended would also have negative impacts, as this could mean fewer people using taxis with drivers' income falling or drivers having to work longer hours.

18 Taxi fares and tariffs options

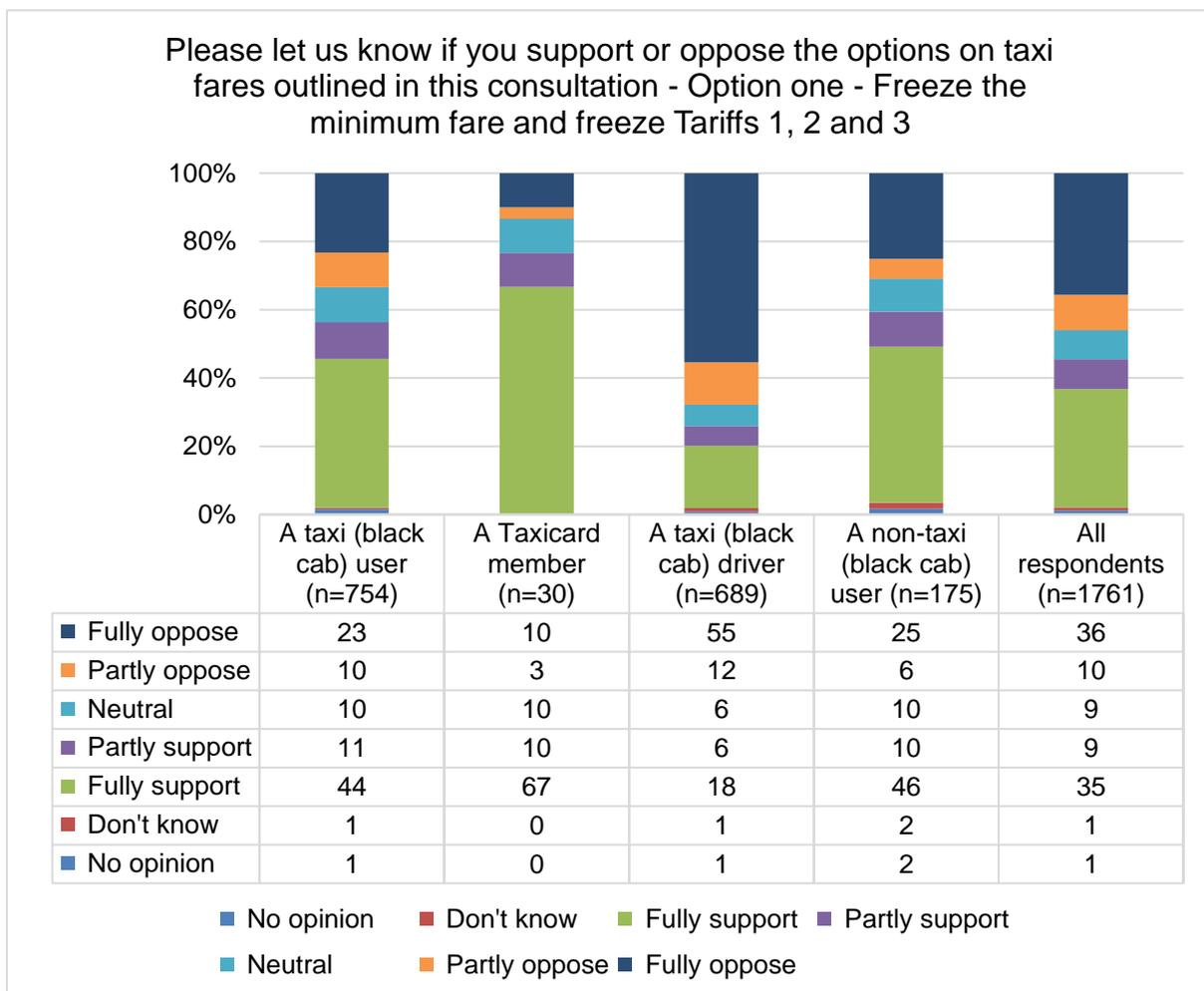
Consultation responses

- 18.1 The charts and tables below show the responses to the questions seeking views on the three taxi fares and tariffs options which were:

²³ CPI and RPI December 2021, <https://www.ons.gov.uk/economy/inflationandpriceindices>

Option one	No change to taxi fares and tariffs <ul style="list-style-type: none"> • Minimum fare frozen at £3.20 • Tariffs 1, 2 and 3 frozen
Option two	Increasing Tariffs 1, 2 and 3 by the combined total of the 2019, 2020 and 2021 Cost Index figures <ul style="list-style-type: none"> • Minimum fare frozen at £3.20 • Increasing Tariffs 1, 2 and 3 by 9.95%
Option three	Following a similar approach to that taken in the last two reviews <ul style="list-style-type: none"> • Increasing the minimum fare by 80 pence • Increasing Tariffs 1 and 2 by 4.03% • Freezing Tariffs 3 and 4

Option one

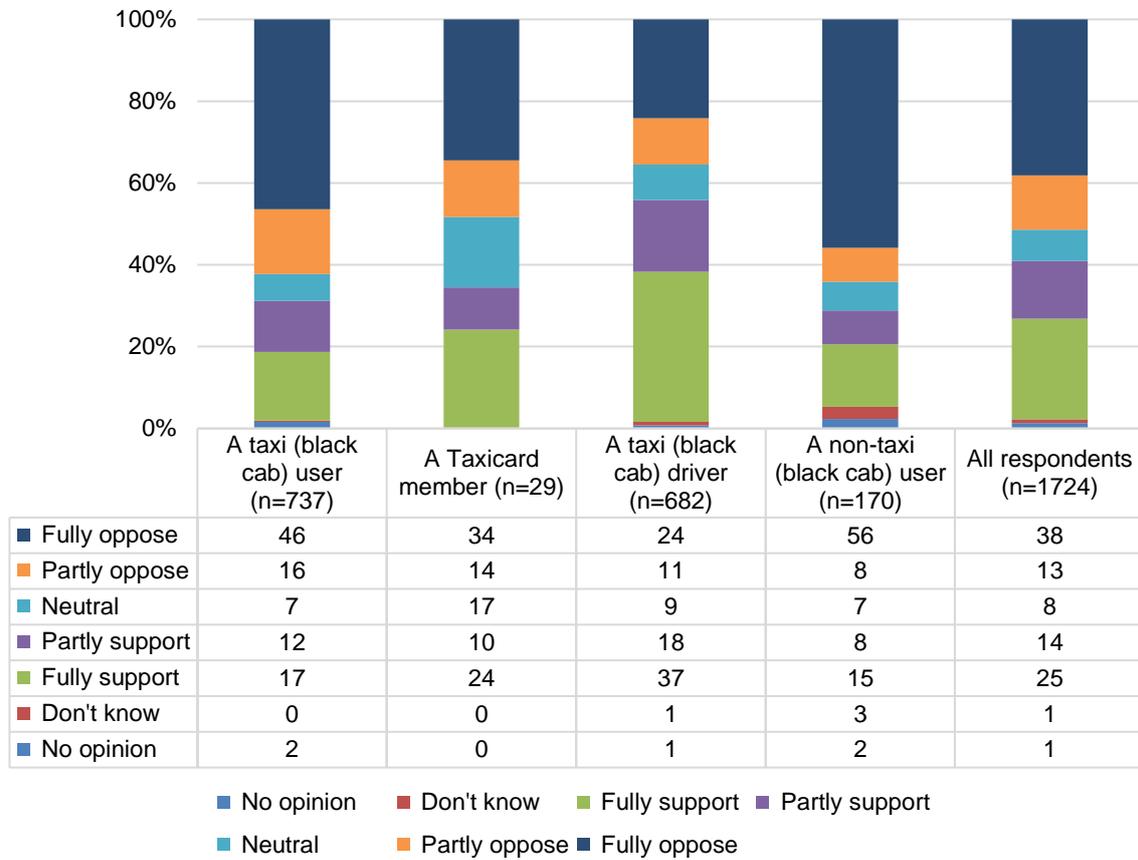


18.2 Thirty-three per cent of taxi users, 13 per cent of Taxicard members and 67 per cent of taxi drivers partly or fully opposed this option.

18.3 Fifty-five per cent of taxi users, 77 per cent of Taxicard members and 24 per cent of taxi drivers partly or fully supported this option.

Option two

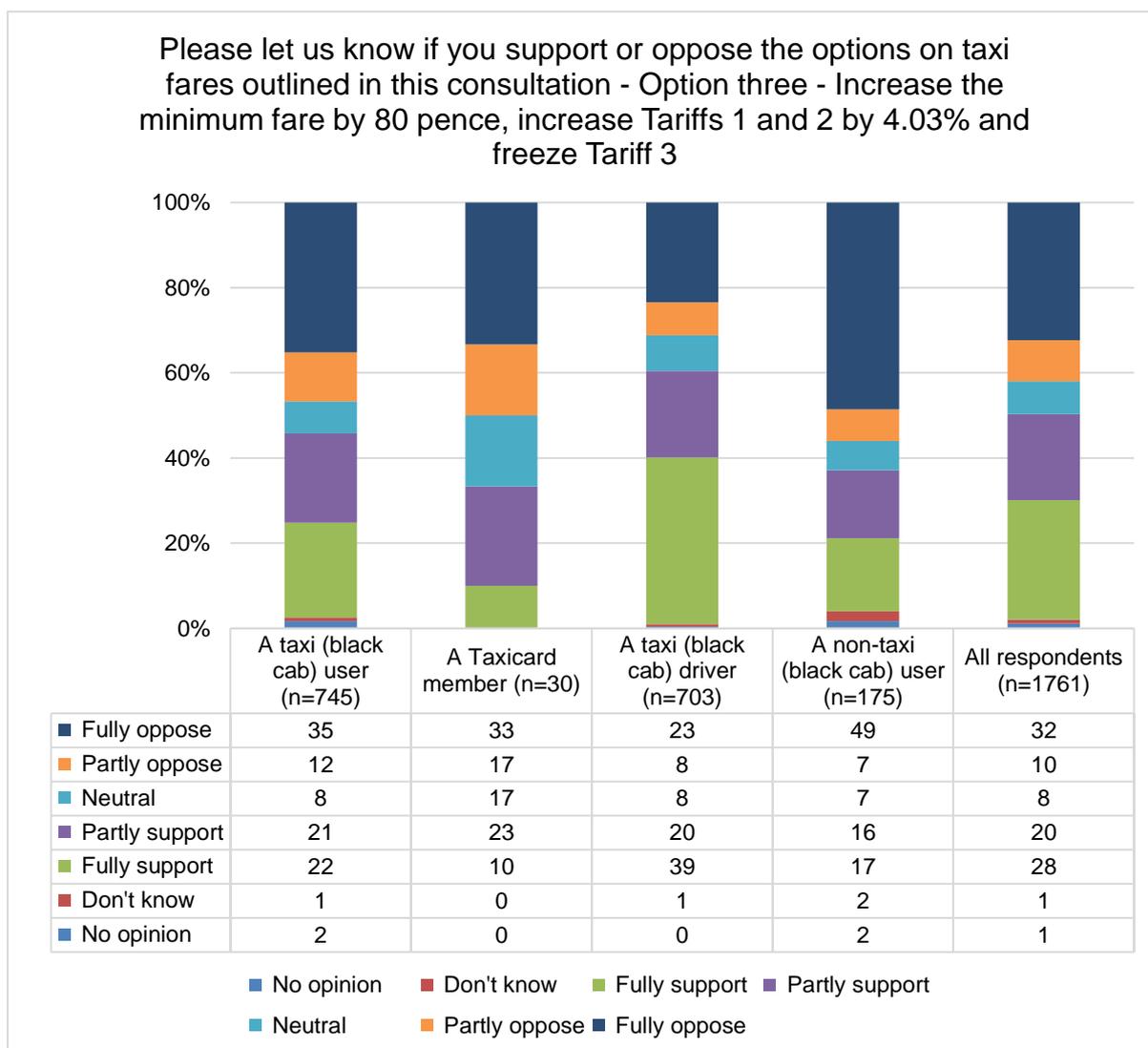
Please let us know if you support or oppose the options on taxi fares outlined in this consultation - Option two - Freeze the minimum fare and increase Tariffs 1, 2 and 3 by 9.95%



18.4 Sixty-two per cent of taxi users, 48 per cent of Taxicard members and 35 per cent of taxi drivers partly or fully opposed this option.

18.5 Twenty-nine per cent of taxi users, 34 per cent of Taxicard members and 55 per cent of taxi drivers partly or fully supported this option.

Option three



18.6 Forty-seven per cent of taxi users, 50 per cent of Taxicard members and 31 per cent of taxi drivers partly or fully opposed this option.

18.7 Forty-three per cent of taxi users, 33 per cent of Taxicard members and 59 per cent of taxi drivers partly or fully supported this option.

Stakeholder responses

18.8 Action Disability in Kensington and Chelsea (ADKC) provide a range of services, groups and support for disabled people with physical, sensory and hidden impairments, who live or work in Kensington and Chelsea. They asked about the Taxicard scheme and the impact on Taxicard members if taxi fares and tariffs were increased. Age UK (Hillingdon, Harrow and Brent) is a charity for older people and they fully supported option one and were fully opposed to the other option options; they thought that taxis were already too expensive. Speak Out in Hounslow work with adults with learning disabilities and autism

They said option one would be good but options two and three would be bad. They also said that the current taxi fares are quite high, especially for passengers who are disabled or on benefits, and the new fares are quite high.

- 18.9 The Brewery Logistics Group cover all of the main breweries who deliver in London. They said that congestion, poor traffic management and the removal of kerbside access was affecting taxi drivers being able to do their job. They fully opposed option one, and partly supported options two and three. The Cabman's Shelter Fund run the refreshment shelters for taxi drivers. They fully supported option three. They wanted taxis to be able to use the streets they do not have access to and asked why taxis are not classed as public transport.
- 18.10 Cabvision provide card payment devices, taximeters and taxis to taxi drivers. They fully opposed option one and partly supported options two and three. They also said Tariff 4 should fall to make taxis more competitive for longer journeys. Hale is a taximeter company and they partly supported option one, partly opposed option two and fully opposed option three.
- 18.11 FREE NOW are a taxi booking company and fully opposed option one and fully supported options two and three. They also suggested increasing the minimum fare to £5.00, increasing and extending Tariff 1, increasing but limiting Tariff 2, increasing Tariff 3 and removing Tariff 4. Gett are a taxi booking company and fully opposed option one, fully supported option two and partly opposed option three.
- 18.12 Islington Council mentioned the Taxicard scheme and said increasing taxi fares will negatively impact Taxicard members. Redbridge Council fully supported option one, partly opposed option two and fully opposed option three.
- 18.13 The London Cab Drivers Club (LCDC), Licensed Taxi Drivers Association (LTDA), RMT, Unite and the United Cabbies Group (UCG) submitted a joint response. They supported following the same approach as option three, and which was used in the last two reviews, and using the Cost Index, but wanted a slightly lower increase to the minimum fare (60 pence instead of 80 pence) and slightly higher increases to Tariffs 1 and 2 (5.51 per cent instead of 4.03 per cent). They also made a number of other points covering balance, the ability of disabled and elderly people to be able to afford taxis and competition that are enclosed in Appendix 4.

18.14 The table below shows the consultation option and the joint taxi trade associations proposal.

	Option Three	Modified Option Three (trade's proposal)	Difference
Approach	Takes the same approach as was taken in the last two reviews	Takes the same approach as was taken in the last two reviews	No difference
Cost Index	Uses the combined sum of the 2019, 2020 and 2021 total Cost Index figures (+9.95%) but does not increase Tariffs 1, 2 and 3 by 9.95%	Uses the combined sum of the 2019, 2020 and 2021 total Cost Index figures (+9.95%) but does not increase Tariffs 1, 2 and 3 by 9.95%	No difference
Minimum fare	Increase by 80 pence (£3.20 to £4.00)	Increase by 60 pence (£3.20 to £3.80)	20 pence
Tariff 1	Increase by 4.03%	Increase by 5.51%	1.48%
Tariff 2	Increase by 4.03%	Increase by 5.51%	1.48%
Tariff 3	No change	No change	No difference
Tariff 4	No change	No change	No difference

18.15 Below is a summary of the main reasons why in their joint response the taxi trade associations supported a modified version of option three:

- (a) the increase to the minimum fare is lower;
- (b) the minimum fare has been £3.00+ for a decade and it was uncertain what the reaction from passengers would be to breaking the £4.00 barrier;
- (c) an increase of 80 pence was twice as high as any previous minimum fare increase;
- (d) increasing the minimum fare to £3.80 would still leave potential scope in the next review to consider a further, smaller increase in the minimum fare in favour of keeping the tariff percentage increase lower;
- (e) they said there have been several occasions when the tariffs have increased by more than five per cent and this has done little damage to the trade. This would be especially so when other forms of public transport have been increasing by around five per cent or more in a single year; and
- (f) the trade associations said some PHV operators have increased their fares by 10 per cent and they thought they were likely to increase fares again by between 10 to 20 per cent in the near future to reflect the increased costs to the PHV industry.

18.16 Unite also submitted a separate response and fully supported option two but said that they would endorse the modified version of option three proposed in the joint response from the taxi trade associations. They also made a number of other points covering balance, the ability of disabled and elderly people to be able to afford taxis and competition that are set out in detail in Appendix 4.

18.17 The UCG also submitted a separate response and fully opposed option one, fully supported option two and partly supported option three. They mentioned other factors that affect taxi users and drivers including ensuring access to roads for taxis, taxis no longer being able to take the shortest route because of TfL and borough schemes, access needs of disabled and older people being set aside in favour of cycling, kerbside access, the increase in the number of app based PHV operators, and taxi booking platforms offering fixed prices instead of using the taximeter.

18.18 A summary of the stakeholder responses is included in Appendix 4.

Recommendation

18.19 The potential outcomes of the consultation were:

- (a) recommend one of the options proposing changes to taxi fares and tariffs as set out in the consultation (options two and three);
- (b) modify the options in the consultation and recommend this; or
- (c) recommend no changes (option one).

18.20 After reviewing all of the responses to the consultation and considering the issues raised, including the alternative proposal put forward by the taxi driver representatives, and the positive and negative impacts identified, we are making the following recommendations.

18.21 We are recommending increases to the fares and tariffs as:

- (a) there has been no increase to taxi fares and tariffs since January 2020;
- (b) taxi drivers' operating costs have significantly increased since fares and tariffs were last changed in January 2020 and we want to ensure taxi drivers can cover their operating costs and continue to earn a living;
- (c) taxi drivers have been significantly impacted by the coronavirus pandemic and many have not been able to earn a living as a taxi driver or been eligible for financial support;
- (d) it is important that there is a sufficient supply of licensed taxis and taxi drivers, and taxis are available for hire. This is particularly important for public safety and people travelling at night, and also for people who may use taxis more often or be more reliant on them (e.g. some elderly or disabled people);

- (e) diesel²⁴ and electricity/charging costs have further increased since the Cost Index was updated;
- (f) we want to support taxi drivers and the taxi vehicle owners with the transition from diesel to ZEC taxis;
- (g) we want to ensure that taxi driving remains a viable career and licensed taxi drivers do not stop being a taxi driver; and
- (h) we want to ensure that people will consider applying to become a licensed taxi driver.

18.22 Concerns have been raised previously about front loading increases to taxi fares and tariffs by increasing the minimum fare, and this having a negative impact on people who use taxis for short trips, Taxicard members and disabled taxi users who are not Taxicard members. Some disabled people may be reliant on taxis or use them more often, including for short journeys, or may find it more difficult to use alternative modes of transport. They may be disproportionately impacted by larger increases to the minimum fare.

18.23 Whilst we acknowledge, and take into account the concerns raised about the negative impacts on those sharing protected characteristics and about front loading increases to taxi fares and tariffs, increasing the minimum fare and the potential impact on people who use taxis for short trips, we still consider that the approach taken in the last two reviews and recommended in this review, which involved increases to the minimum fare, helps strike an appropriate balance between taxi drivers being fairly paid and taxi users getting fair, reasonable and affordable fares. We also think that for the two most recent reviews this approach was preferable to larger increases to Tariffs 1, 2 and 3.

18.24 After considering the reasons provided in the joint response from the taxi trade associations in support of the modified option three and the concerns previously raised about increases to the minimum fare we are recommending the following:

- (a) increasing the minimum fare from £3.20 to £3.80;
- (b) increasing Tariffs 1 and 2 by 5.51 per cent; and
- (c) freezing Tariffs 3 and 4;

18.25 We are making this recommendation for the following reasons:

- (a) we consider that following the approach taken in the last two reviews helps us strike an appropriate balance between drivers being fairly paid and taxi users getting fair, reasonable and affordable fares for this review of taxi fares and tariffs;

²⁴ Petrol and diesel prices reach new record high, BBC, 14 February 2022, <https://www.bbc.co.uk/news/business-60375568>

- (b) taxi drivers have been massively impacted by the coronavirus pandemic and this recommendation is considered appropriate to help support the taxi industry with the recovery as restrictions are lifted;
- (c) these increases are based on the combined total Cost Index figures for 2019, 2020 and 2021 and so take into account changes in taxi drivers' operating costs and average national earnings;
- (d) these increases will take into account the 2019 Cost Index figure which brought the cost of the ZEC taxis and electricity/charging into the Cost Index;
- (e) we consider the modified version of option three a better choice than option two as the increases to Tariffs 1 and 2 are lower;
- (f) we consider the modified version of option three a better choice than option two as Tariffs 3 and 4 do not increase;
- (g) Tariff 3 is frozen and concerns have been raised about Tariff 3 being too high and this negatively impacting people travelling late at night or deterring them from using a taxi;
- (h) Tariff 4 is frozen and concerns have also been raised about Tariff 4 being too high and this negatively impacting people making long journeys;
- (i) increasing the minimum fare means that taxi drivers who work when Tariff 3 applies will still see an increase in fares;
- (j) the table below shows the total opposition and total support for each option. Of the two options that involved increases to the taxi fares and tariffs, option three has the highest level of support from taxi users (43 per cent), taxi drivers (59 per cent) and all respondents (48 per cent). The support for options two and three from Taxicard members is almost equal (34 per cent and 33 per cent respectively);

	Option One		Option Two		Option Three	
	Total opposition	Total support	Total opposition	Total support	Total opposition	Total support
Taxi users	33%	55%	62%	29%	47%	43%
Taxicard members	13%	77%	48%	34%	50%	33%
Taxi drivers	67%	24%	35%	55%	31%	59%
All respondents	46%	44%	51%	39%	42%	48%

- (k) although concerns have been raised about the impact on fares for short journeys if the minimum fare is increased it is not our aim to discourage short journeys or other types of journeys in taxis, or to make these prohibitively expensive. Increasing the minimum fare is one part of a

package that involves using the total Cost Index figures, increases to Tariffs 1 and 2 that are lower than the sum of the 2019, 2020 and 2021 total Cost Index figures, freezing Tariffs 3 and 4, and avoids the relatively large increases to the tariffs proposed in option two;

- (l) our recommendation involves increasing the minimum fare, which can affect people making short journeys. However, the increase to the minimum fare is lower and so the impact may be less severe than it would have been in the unmodified version of option three;
- (m) we acknowledge the concerns raised about front loading increases to taxi fares and tariffs, increasing the minimum fare and the potential impact on people who use taxis for short trips. However, for this review of taxi fares and tariffs we think this approach helps us better strike an appropriate balance between taxi drivers being fairly paid and taxi users getting fair, reasonable and affordable fares. We also think that for this review this approach is preferable to larger increases to Tariffs 1, 2 and 3; and
- (n) we have given due consideration to the modified version of option three and have weighed up the impacts and benefits of this. Having taken into account the impacts on users of taxis, including those who share protected characteristics, we consider the proposed changes are proportionate and justified for the reasons set out above.

Card payments

18.26 Since October 2016 we have required all taxis to be fitted with a TfL approved card payment device. When we introduced this requirement the Committee approved the minimum fare being increased by 20 pence to help taxi drivers cover the costs of accepting card payments. Since 2016 there have been some requests to add costs for card payment devices and transactions to the Cost Index. This is not recommended as a change to the fares and tariffs (the 20 pence increase to the minimum fare) has already been made to support taxi drivers with covering the cost of card payment transactions.

Taxicard scheme

18.27 Issues raised during the consultation included what would be the impact on disabled people and the Taxicard scheme if fares and tariffs increase.

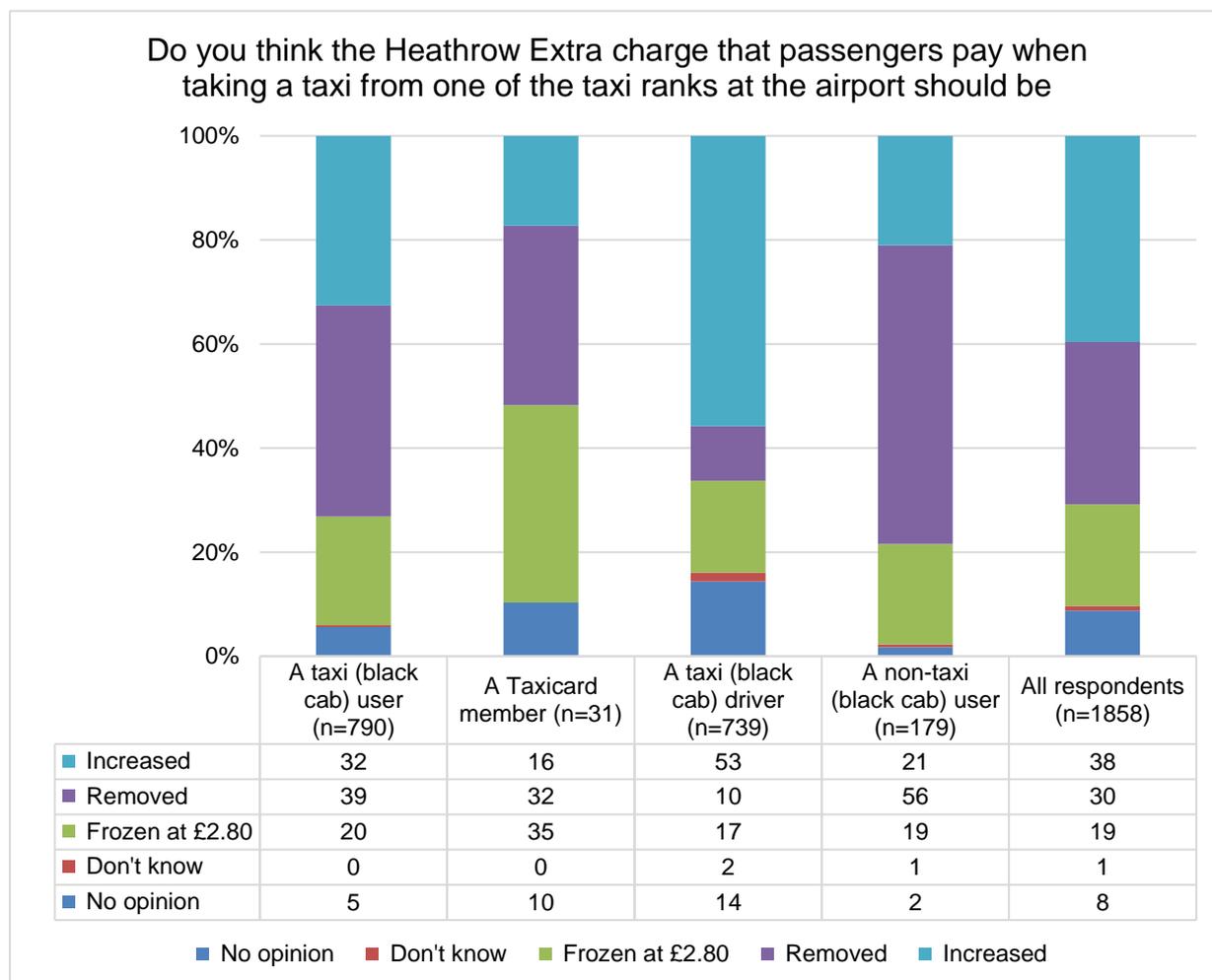
18.28 We think that the introduction of capped fares as part of the Taxicard scheme has limited the negative impacts of the increases for many disabled and elderly users but we continue to work with City Fleet and London Councils to see where changes can be made that will improve the service for Taxicard members.

18.29 TfL's Assisted Transport Services Team and London Councils will be advised of approved increases to the minimum fare and tariffs so as they can consider the impact this might have on the Taxicard service and members, and if any changes to the capped Taxicard fares are needed.

19 Heathrow Extra

Consultation responses

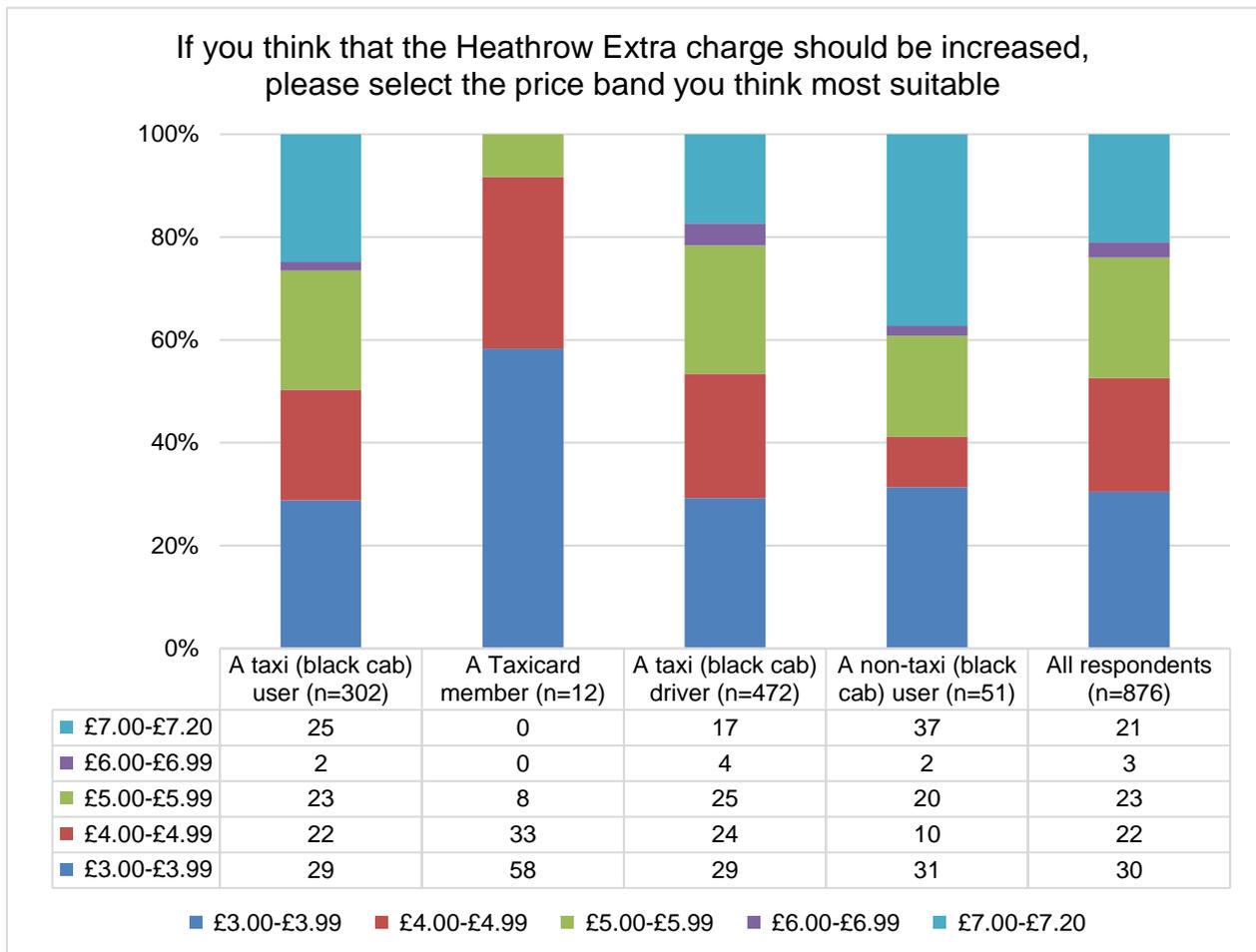
19.1 The charts below show the responses to the questions seeking views on the Heathrow Extra charge that passengers pay when taking a taxi from one of the taxi ranks at the airport.



19.2 Twenty per cent of taxi users, 35 per cent of Taxicard members and 17 per cent of taxi drivers thought the Heathrow Extra should be frozen at £2.80.

19.3 Thirty-nine per cent of taxi users, 32 per cent of Taxicard members and 10 per cent of taxi drivers thought the Heathrow Extra should be removed.

19.4 Thirty-two per cent of taxi users, 16 per cent of Taxicard members and 53 per cent of taxi drivers thought the Heathrow Extra should be increased.



19.5 Amongst respondents who thought the Heathrow Extra should be increased the most popular choice for taxi users (29 per cent), Taxicard members (58 per cent) and taxi drivers (29 per cent) was £3.00-£3.99.

19.6 Age UK (Hillingdon, Harrow and Brent) said the Heathrow Extra should be frozen. Speak Out in Hounslow said taxi drivers should not have to pay Heathrow charges.

19.7 The Brewery Logistics Group said the Heathrow Extra should be increased to £3.00-£3.99. The Cabmen’s Shelter Fund said the Heathrow Extra should be frozen but also said that if it is increased it should be £4.00-£4.99.

19.8 Cabvision said the Heathrow Extra should be increased to £5.00-£5.99. Hale said the Heathrow Extra should be removed.

19.9 FREE NOW and Gett both said the Heathrow Extra should be frozen.

19.10 HAL suggested increasing the Heathrow Extra to between £4.00- £5.00.

- 19.11 Redbridge Council said the Heathrow Extra should be increased to £7.00-£7.20.
- 19.12 A meeting between TfL and the Heathrow representatives from the LCDC, LTDA, RMT, UCG and Unite was held to discuss charges for taxi drivers at Heathrow Airport and authorised extras. Their position on the Heathrow Extra was that it should be increased by 80 pence (£2.80 to £3.60).
- 19.13 In their separate responses Unite and the UCG both said the Heathrow Extra should be increased to £3.00-£3.99.

Recommendation

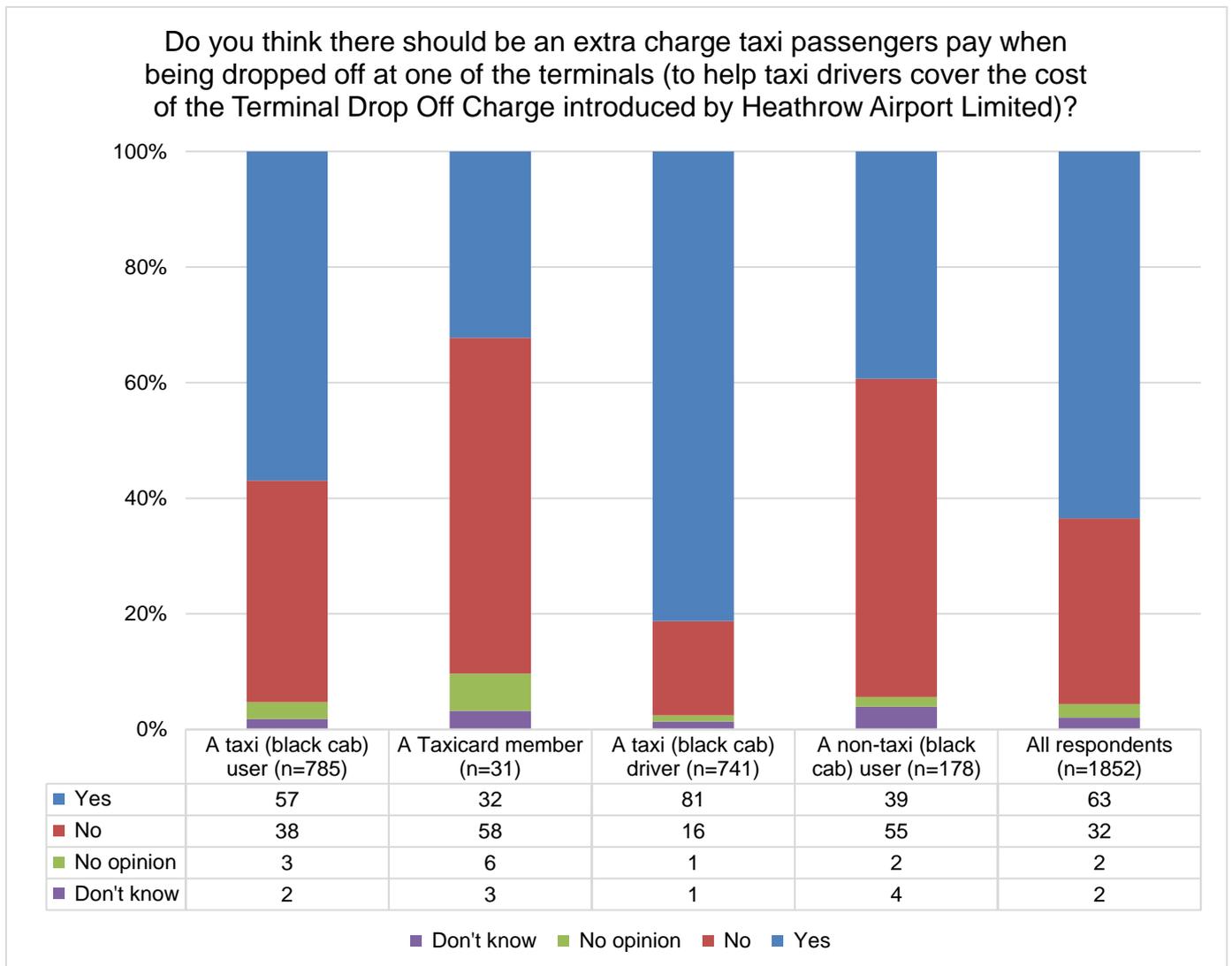
- 19.14 We are recommending that the maximum Heathrow Extra is increased from £2.80 to £3.60 as:
- (a) the cost for taxi drivers to access the taxi ranks at Heathrow Airport has doubled to £7.20. HAL was initially intending to set this at £10 but agreed to a lower increase following discussion with the trade. There is no guarantee this will not increase again later in 2022;
 - (b) the increase of 80 pence to the extra is considered reasonable given the increase to the fee taxi drivers pay to access the taxi ranks;
 - (c) this is in line with previous arrangements where taxi drivers were able to recover part of the fee they paid, rather than fully recover this, with the Heathrow Extra being around 50 per cent of the taxi feeder park fee;
 - (d) it is considered appropriate that taxi drivers pay part of the taxi feeder park fee and it is not fully passed on to passengers as the fee covers the costs of the facilities for taxi drivers at the airport, as well as services and infrastructure that support passengers;
 - (e) if the taxi feeder park fee is reduced or increased we will review the Heathrow Extra in the next fare revision and bring forward up to date proposals;
 - (f) taxi drivers who work at Heathrow Airport have been significantly impacted by the coronavirus pandemic, with demand for taxis greatly reduced and not forecast by HAL to return to pre-pandemic levels until 2025;
 - (g) the Heathrow Extra is added to the taximeter in increments of 40 pence and so the extra must be a whole number of 40 pence increments which £3.60 would be; and
 - (h) some passengers who do not want to pay the Heathrow Extra can choose an alternative form of transport instead of taking a taxi from one of the taxi ranks at Heathrow Airport. Alternatives include booking a taxi instead of using the taxi rank, booking a PHV, using the Tube or bus, if

they have access to a car driving, and from later in the year using the Elizabeth Line.

20 Heathrow TDOC

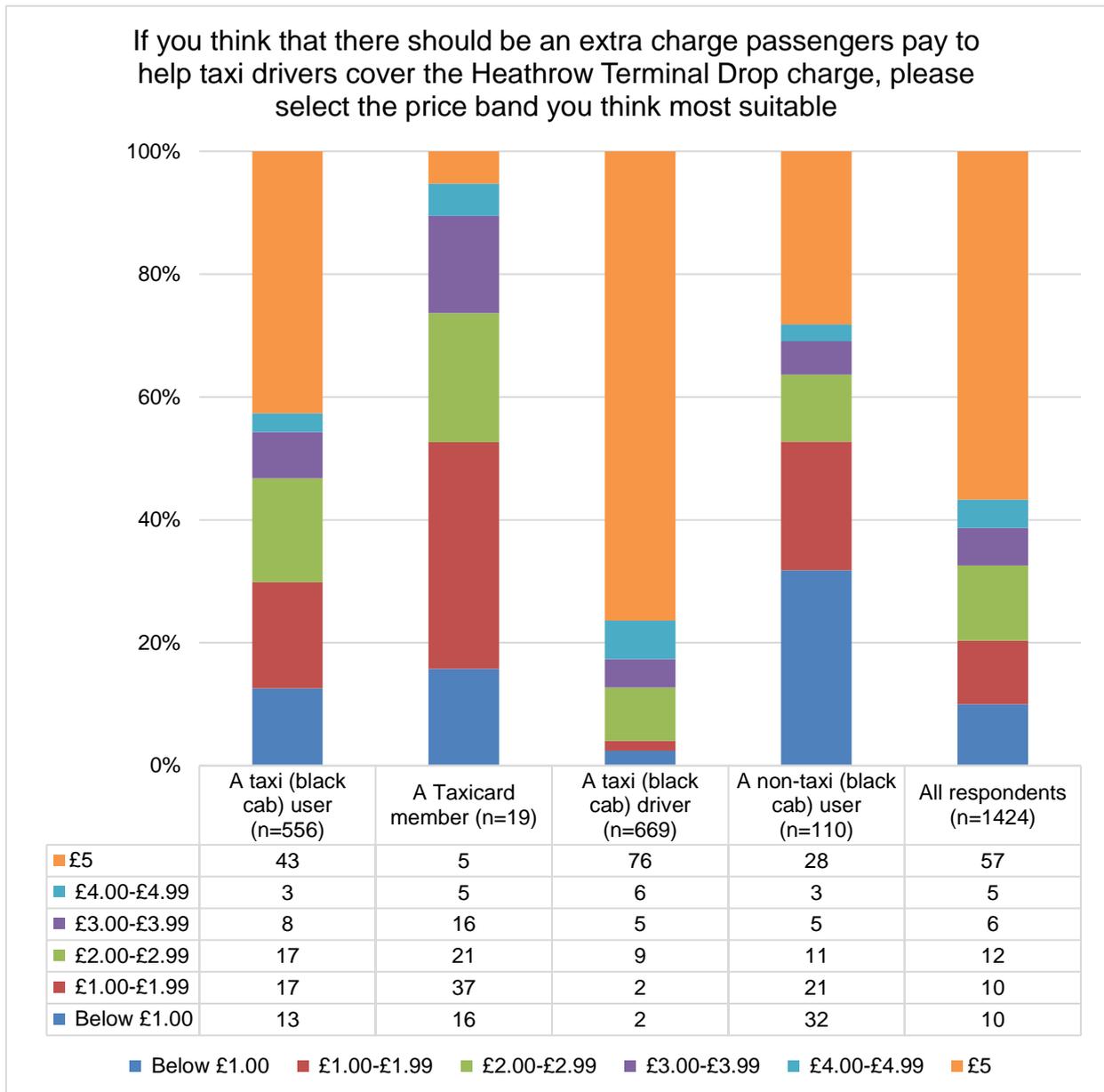
Consultation responses

- 20.1 The charts below show the responses to the questions seeking views on whether there should be an extra charge taxi passengers pay when being dropped off at one of the terminals to help taxi drivers cover the cost of the TDOC introduced by HAL.
- 20.2 These questions were included in the consultation because HAL had introduced the TDOC and we wanted to know if there was support for taxi drivers being able to recover part or all of this from passengers.



20.3 Fifty-seven per cent of taxi users, 32 per cent of Taxicard members and 81 per cent of taxi drivers thought there should be an extra charge taxi passengers pay when being dropped off at one of the terminals to help taxi drivers cover the cost of the TDOC introduced by HAL.

20.4 Thirty-eight per cent of taxi users, 58 per cent of Taxicard members and 16 per cent of taxi drivers said there should not be an extra charge.



20.5 Amongst respondents who thought there should be an extra charge taxi passengers pay when being dropped off at one of the terminals to help taxi drivers cover the cost of the TDOC introduced by HAL, the most popular choice amongst taxi users (43 per cent) and taxi drivers (76 per cent) was £5.00. The most popular choice amongst Taxicard members (37 per cent) was £1.00-£1.99.

- 20.6 Age UK (Hillingdon, Harrow and Brent) and the Brewery logistics Group said there should not be an extra charge passengers pay when being dropped off at the airport. Speak Out in Hounslow said taxi drivers should not have to pay the Heathrow charges.
- 20.7 The Cabman's Shelter Fund said there should be an extra charge passengers pay when they are dropped off at the airport and it should be £5.00.
- 20.8 FREE NOW said there should not be an extra charge passengers pay when being dropped off at the airport. Gett said there should be an extra charge passengers pay when they are dropped off at the airport and it should be £5.00.
- 20.9 Cabvision and Hale both said there should be an extra charge passengers pay when they are dropped off at the airport and it should be £4.00-£4.99.
- 20.10 HAL's proposal was for the full TDOC to be passed on to passengers and added to the taxi meter.
- 20.11 Redbridge Council said there should be an extra charge passengers pay when they are dropped off at the airport and it should be £5.00.
- 20.12 A meeting between TfL and the Heathrow representatives from the LCDC, LTDA, RMT, Unite and the UCG was held to discuss charges for taxi drivers at Heathrow and authorised extras. Their position was that the 100 per cent discount for taxis should remain in place and not be removed in April 2022. They said that if taxi drivers have to pay the TDOC they want to be able to add the full charge (£5.00) to the taxi fare.
- 20.13 Unite said there should be an extra charge passengers pay when they are dropped off at the airport and it should be £5.00.
- 20.14 The UCG said there should not be an extra charge passengers pay when being dropped off at the airport, the TDOC should not be applied to publicly hired taxis, buses do not have to pay to drop off passengers and taxi passengers should not have to pay this charge.

Recommendation

- 20.15 HAL made the decision to introduce the TDOC and it is their decision to remove the discount for London taxis in April.
- 20.16 We are recommending that:
- (a) a new Heathrow drop off charge is introduced which taxi drivers can add to the fare when dropping off passengers in one of the terminal drop-off zones at Heathrow Airport;
 - (b) the charge not applying to taxi journeys when a Blue Badge concession has been granted by HAL to the taxi for that journey; and

- (c) the new Heathrow drop off charge being a maximum of £5.20.

20.17 We are recommending this for the following reasons:

- (a) the extra charge will have to be added to the taximeter in increments of 40 pence and so the extra must be a whole number of 40 pence increments. We considered making the extra charge either £4.80 or £5.20 and have recommended that it is a maximum of £5.20 so as taxi drivers can cover the full cost of the TDOC. Taxi drivers can use their discretion and still only add £4.80 to the fare or charge passengers less than the fare shown on the taximeter and some may choose to do this. Taxi drivers can also use their discretion not to charge any of the TDOC. We will work with the taximeter companies to review increments used when adding extras to the taximeter and if these should be amended so as the extra could be £5.00;
- (b) from April 2022 taxi drivers will have to pay the full TDOC (£5.00) when dropping off passengers in the terminal drop-off zones at Heathrow Airport;
- (c) taxi passengers have the option of not paying the extra by being asked to be dropped off in the long stay terminal car parks at the airport for free. Passengers can then take the free bus to the terminals;
- (d) we want to reduce the risk of passengers being dropped off in unsuitable locations because taxi drivers want to avoid paying the TDOC;
- (e) Blue Badge holders can receive a 100 per cent discount from the TDOC and taxi drivers will not be permitted to add the extra charge to the taxi fare for taxi journeys if their taxi was registered for a Blue Badge concession; and
- (f) if we receive requests to for the new extra charge to not apply to other taxi journeys where HAL may allow a discount or exemption then we will consider these.

21 Cryptocurrency

- 21.1 We have been approached by a company who is proposing that passengers should be able to pay for taxi journeys using Bitcoin.
- 21.2 Bitcoin is a cryptocurrency. Cryptocurrencies are digital currencies and do not exist in a physical form and are not issued or regulated by a central authority such as a bank or government.
- 21.3 Cryptocurrency is not accepted as payment on TfL services (bus, Tube, rail, etc.). Concerns have been raised about using cryptocurrency to pay for taxi journeys, and the potential risks for taxi drivers or passengers. In January

2021 the Government conducted a call for evidence on the UK regulatory approach to cryptoassets and stablecoins.²⁵

- 21.4 We are not currently proposing that taxi drivers must be able to accept cryptocurrency as payment for taxi journeys in London.

22 Next steps

- 22.1 If changes to taxi fares and tariffs are approved we will work with the taximeter companies to implement the changes and for these to come into effect on 30 April 2022.
- 22.2 We will also update the information on the TfL website²⁶ about taxi fares and tariffs and the information displayed in the passenger compartment of all taxis.

List of appendices to this report:

Appendix 1: Trend in the number of licensed taxis and taxi drivers
Appendix 2: Taxi fares and tariffs reviews since 2010
Appendix 3: 2019, 2020 and 2021 Cost Index components
Appendix 4: Summary of stakeholders' responses
Appendix 5: Consultation analysis code frame
Appendix 6: EqIA
Appendix 7: Other impact assessments

List of Background Papers:

The consultation webpage and accompanying documents are available here:
<https://haveyoursay.tfl.gov.uk/taxi-fares-2021>

Contact Officer: Helen Chapman, Director – Licensing, Regulation & Charging
Email: HelenChapman@tfl.gov.uk

²⁵ HM Treasury, UK regulatory approach to cryptoassets and stablecoins: Consultation and call for evidence, January 2021,
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/950206/HM_Treasury_Cryptoasset_and_Stablecoin_consultation.pdf

²⁶ TfL website, www.tfl.gov.uk/taxifares