

Summary of stakeholder responses

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

Stakeholder Summaries

Stakeholder summaries

Camden Town Unlimited

Camden Town Unlimited thought:

- The minimum fare (£3.80) is a little too expensive
- Taxi fares during the weekday daytime (Tariff 1) - Monday to Friday 05:00-20:00 are a little too expensive
- Taxi fares during the weekday evenings (Tariff 2) - Monday to Friday 20:00-22:00 are a little too expensive
- Taxi fares during the and weekend daytime (Tariff 2) - Saturday and Sunday 05:00-22:00 are a little too expensive
- Taxi fares late at night (Tariff 3) - Every night 22:00-05:00 are a little too expensive
- Taxi fares on public holidays (Tariff 3) are a little too expensive
- Taxi fares for journeys over six miles (Tariff 4) are a little too expensive

They gave a rating of three for the value for money of taxi fares in London.

For the taxi fares and tariffs consultation options they:

- Partly opposed Option 1
- Fully opposed Option 2
- Fully opposed Option 3
- Fully opposed Option 4
- Fully supported Option 5

They agreed that the requirement to add the extra charge for booked taxis to the taximeter should be removed.

They fully opposed increasing some of the fixed fares for shared taxis during the Wimbledon Tennis Championships.

They had no opinion on amending the authorised place where the fixed-fare, shared-taxi scheme operates from.

FREE NOW

FREE NOW was disappointed that no consideration had been given to introducing a cancellation fee.

FREE NOW said that the minimum fare plus the booking fee allowed by the Cab Order currently is £5.80 (£3.80 minimum fare plus £2.00 extra) and would be £6.20 if the price increase is applied and that a customer who got into an app-booked cab, but then immediately decided not to take it would be charged this amount. They said it therefore seems reasonable and logical for a taxi that is booked and then cancelled but with the driver already having incurred an opportunity cost by accepting the prospective fare should enjoy some reimbursement of up to, but not exceeding, £5.80/£6.20.

FREE NOW said they plan to call on TfL to assess the case for a cancellation fee to be applicable as part of the next review of the Cab Order, given the advantages to drivers and the supply situation that might reasonably be expected to accrue.

FREE NOW is in favour of a separate minimum fare for apps. They said that when a taxi driver gets a job on the street or at a taxi rank there is no extra distance that they need to cover but with apps, drivers have to often drive for 10-15 minutes to the pickup point, especially in the outer zones of Greater London. As a result of this taxi drivers are less likely to accept the shortest trips.

FREE NOW estimated that by introducing a £10 minimum fare they could improve individual driver acceptance rates. They said this could have a profound effect in areas of less dense supply, where approach distances are longer and hailing a taxi on the street is virtually impossible.

FREE NOW said they had been calling on TfL in the run-up to its consultation for the existing extra charge for booked taxis to be updated by between a quarter and a third to reflect inflation since 2014 and they want this to be increased from £2.00 to £5.00.

Gett

Gett thought:

- The minimum fare (£3.80) is much too low
- Taxi fares during the weekday daytime (Tariff 1) - Monday to Friday 05:00-20:00 are much too low
- Taxi fares during the weekday evenings (Tariff 2) - Monday to Friday 20:00-22:00 are much too low
- Taxi fares during the and weekend daytime (Tariff 2) - Saturday and Sunday 05:00-22:00 are much too low
- Taxi fares late at night (Tariff 3) - Every night 22:00-05:00 are much too low
- Taxi fares on public holidays (Tariff 3) are much too low
- Taxi fares for journeys over six miles (Tariff 4) are much too low

They gave a rating of eight for the value for money of taxi fares in London.

For the taxi fares and tariffs consultation options they:

- Fully supported Option 1
- Fully supported Option 2
- Partly opposed Option 3
- Partly opposed Option 4
- Fully opposed Option 5

They agreed that the requirement to add the extra charge for booked taxis to the taximeter should be removed.

They fully supported increasing some of the fixed fares for shared taxis during the Wimbledon Tennis Championships.

They were neutral on amending the authorised place where the fixed-fare, shared-taxi scheme operates from.

Gett said that the cost of living and inflation have increased by 13 per cent in the UK, fuel prices have increased for everyone, and the meter should increase accordingly so drivers can make a sustainable living.

Hammersmith & Fulham Council

Hammersmith & Fulham Council thought:

- The minimum fare (£3.80) is about right
- Taxi fares during the weekday daytime (Tariff 1) - Monday to Friday 05:00-20:00 are a little too expensive
- Taxi fares during the weekday evenings (Tariff 2) - Monday to Friday 20:00-22:00 are a little too expensive
- Taxi fares during the and weekend daytime (Tariff 2) - Saturday and Sunday 05:00-22:00 are a little too expensive
- Taxi fares late at night (Tariff 3) - Every night 22:00-05:00 are a little too expensive
- Taxi fares on public holidays (Tariff 3) are a little too expensive
- Taxi fares for journeys over six miles (Tariff 4) are a little too expensive

They gave a rating of four for the value for money of taxi fares in London

For the taxi fares and tariffs consultation options they:

- Fully opposed Option 1
- Fully opposed Option 2
- Partly opposed Option 3
- Partly supported Option 4
- Partly supported Option 5

They agreed that the requirement to add the extra charge for booked taxis to the taximeter should be removed.

They were neutral on increasing some of the fixed fares for shared taxis during the Wimbledon Tennis Championships.

They had no opinion on amending the authorised place where the fixed-fare, shared-taxi scheme operates from.

Hammersmith & Fulham Council said there was a key question of whether regulated taxi fares are too high – they believe the answer is that they are too high in relation to competitors (e.g. PHV app companies).

They did not believe that the current regulations serve taxi drivers or other operators very well and that any regulatory change should do three things not asked about in the survey:

- Create a level playing field
- Support employment rights and 'good work'

- Incentivise fleet electrification as part of Hammersmith & Fulham's borough-wide Electric Vehicle targets and Clean Air strategy

In relation to removing the requirement to add the extra charge for booked taxis onto the taximeter, they also said they oppose this as they considered it disproportionately impacted disabled users.

Hammersmith & Fulham Council said consideration should be given to the subsidy rates that apply to each tariff through the Taxicard scheme, and consideration should also be given to extending the availability of taxis for Taxicard users.

Hammersmith & Fulham Council said that of particular concern is the disproportionate impact on disabled passengers who rely on taxis for access to health, retail and leisure services. They are concerned about difficulties that local disabled people experience using taxis with their disabled cards, and requested that TfL review and improve this. They said there are also concerns regarding the disproportionate impact on women who may feel less safe using other modes of transport (e.g. bus or Tube) or walking, particularly late at night. Hammersmith & Fulham Council were therefore more supportive of Options 4 and 5 as they minimise all fare increases.

Heathrow Airport Limited (HAL)

HAL said they support Option 2 in the consultation and the removal of the extra charge for booked taxis.

HAL believe Option 2 balances the need to have a financially viable taxi industry with an attractive price for passengers and that spreading the total Cost Index figure is essential to this balance as it is the only option which increases the minimum charge, securing an elevated income for taxi drivers and companies together with an 8.8 per cent increase across all four tariffs.

They said this would mean taxi drivers would see an increase in fares at all times of the day, reflecting the round-the-clock nature of an airport and the much-needed ability of taxi drivers to recoup operating costs at a challenging economic period for the country. HAL said it also supports their Surface Access Strategy without impacting the diversity in choice of travel options at Heathrow Airport and that taxis will continue to play a vital role at the airport and HAL see them as an integral part of the transport options Heathrow supports to deliver an excellent standard of service for passengers.

HAL said raising fares and tariffs will not only ensure London taxis keep pace with rising operating costs, but it will also ensure an added incentive for using PHVs over public transport is not created. They said that not changing fares and tariffs would only incentivise less sustainable modes of transport and would run contrary to the shared ambition of both TfL and Heathrow to get people out of cars and onto public transport.

HAL added that the danger of not increasing fares and tariffs is that the taxi industry suffers, becomes less profitable and the travel options available at the airport

diminishes. HAL said they want the taxi provision at the airport to thrive, with electric taxis reducing emissions whilst providing essential flexibility within their overall Surface Access Strategy. They said that whilst reducing reliance on cars, and boosting the use of rail and bus, London's taxis nevertheless have an important place in the sustainable use of roads.

HAL noted that whilst the summary of main considerations notes the potential impact of higher fares for passengers, the alternative is a diminishing taxi provision across the city due to an unsustainable business model enforced through stagnant fares and tariffs.

They said that Option 2 fulfils this balance by delivering a financially sustainable taxi service whilst aligning with Heathrow's strategy to reduce emissions and building an ever-more accessible airport.

Lewisham Council

Lewisham Council recognised that the taxi industry is undergoing significant loss in driver and vehicle numbers, partly due to increased cost pressures, and that at certain times of the day and in certain locations (particularly outer-London) this is making it more difficult for supply to meet demand and can cause service failures.

They stated that according to the Index of Multiple Deprivation (IMD) 2019, Lewisham is the seventh most deprived borough in London and they know that many of their residents are struggling to cope with the impacts of the cost of living crisis and in this context they are concerned about any additional cost increases to some of their most vulnerable residents.

They added that fewer than 50 per cent of households in Lewisham own a car, and whilst they are committed to their target for 80 per cent of journeys to be made by walking, cycling and public transport by 2041, they understand that some residents are reliant on London taxis as an essential form of travel. They said that this reliance is amplified by Lewisham's uneven pattern of public transport provision across the area; the far north and south is lacking infrastructure, with low Public Transport Accessibility Levels (PTAL).

Lewisham Council said that in light of the lack of attractive, sustainable alternative ways to travel, they feel that they would be disproportionately affected by the proposed options to increase fares and tariffs.

They also added that they use London taxis for transporting some of their special educational needs (SEN) pupils and any increases to the fares and tariffs will directly impact this with price increases likely to cause upward pressure on scheme costs at a time of financial strain for local authorities.

Lewisham Council said they while they understand the financial constraints/efficiency needs requiring changes to taxi fares and tariffs, due to the IMD of the borough and their reliance on London taxis they would ask that TfL carefully consider the needs of the affected boroughs in terms of overall public transport provisions when making

any further decisions as to price increases, and that any justifiable increase should be kept to a minimum to protect residents.

London Councils

London Councils responded on behalf of the Taxicard scheme. The Taxicard scheme is funded by the London boroughs and TfL and managed by London Councils on their behalf. The borough/TfL subsidise 70 per cent of the trip cost and the Taxicard member contributes the remaining 30 per cent of the cost.

London Councils said they understand the reasons for the fare increases however, they did not support the first two options on the grounds that these will have a bigger impact on the Taxicard members and the boroughs' funding.

They said that Taxicard members have been taking fewer trips over the last five years, irrespective of the impact the coronavirus pandemic has had since March 2020.

London Councils said that for the 2022/23 financial year trips are predicted to be 17 per cent lower than 2021/22. In 2021/22 Taxicard trips were on the road to recovery after the pandemic and therefore, it would be reasonable to apply the same logic in 2022/23, but instead the opposite is happening and this is mostly due to the increases in fares since March 2022, and Taxicard members are finding it less affordable.

London Councils said that the London boroughs are facing a £700 million shortfall largely due to inflationary pressure and while in theory, Taxicard and Freedom Pass Schemes were entirely covered by the funding boroughs received from central government, the current level of funding the boroughs receive from central government covers only 30 per cent in maintaining such schemes.

London TravelWatch (LTW)

LTW's response covered three areas – taxi use in London, proposed changes, and mitigations. A summary of LTW's comments is below.

Taxi use in London:

- While taxi journeys may be smaller in number when compared to other modes of travel in London, they play an important part in London's public transport network
- While some perceive them to be a luxury, taxi use is often an essential activity. There are many instances when taxis can help people get around when other options aren't viable
- They allow people to travel at times and between locations that may not be well served by other types of transport, can be particularly important in outer London and can also be vital when travelling at night
- Most importantly they can provide door to door accessible transport for people who might not be able to use other types of transport, and have no access to private transport
- They can be particularly important to disabled people and older people

Proposed changes:

- LTW understood the need to increase taxi fares and tariffs given the considerable rise in costs that taxi drivers have seen over the past year and to help taxi drivers cover their operating costs, and mitigate the risk of drivers changing careers if they no longer see this as a financially viable option
- Given the decrease in taxi drivers since the start of the pandemic, it is important to protect the number of remaining taxis available so that people can still access them when they need them but it is important to strike a balance between taxi drivers being fairly paid and people who use taxis getting fair and affordable fares, to make sure it doesn't price more people out of using the service
- Fare increases are also likely to disproportionately disadvantage people who rely on taxis for accessibility or safety reasons, and so mitigations should be put in place to reduce the impact on these groups
- While mitigations can be put in place to protect these groups this should also be considered in the structure of the fare increases
- LTW called for Tariff 3 to be protected from high increases as this would protect people who have to travel by taxi at night. This is particularly important from a safety perspective and LTW's research found that 31 per cent of people who reported feeling unsafe when travelling in London decided to take PHVs or taxis more
- Higher fares may result in some people being stranded overnight if they can't afford a taxi
- LTW recognised that if Tariff 3 is not increased but Tariffs 1 and 2 are, then the difference between these rates becomes quite small and this may lead to fewer taxi drivers choosing to operate at night, with fewer taxis available likely to result in longer waits for people or people not able to get a taxi
- Given the importance of taxis at night LTW accepted that Tariff 3 may need to be increased but advised that any increase should be by a smaller percentage than Tariffs 1 and 2 to balance the need for affordability
- LTW said that they would like TfL to monitor the situation and make changes in the future as needed

Mitigations:

- LTW said that if taxi fares are increased they would like to see TfL take steps to reduce any negative impacts on people travelling around London, with a particular focus on disabled people and people travelling at night
- LTW said extra support should be put in place for Taxicard members to help protect them from taxi fare increases and this could include:
 - Freezing member contributions, with the increase in fares instead covered by TfL and the boroughs
 - Exploring the option of allowing "triple swiping", so members can choose to use three subsidies in one trip if needed to reduce the cost of longer journeys
 - Increase the number of taxi drivers who can access and accept Taxicard bookings, including through promotion of the service, to improve the service for members through increased availability and reduced wait times

- LTW said night services, including the Night Tube and Night Bus, should be protected to ensure that these remain a safe and viable alternative to those who can't afford taxis when travelling at night
- LTW said that in the longer term they would like to see measures to increase the number of accessible vehicles in the private hire industry and that as it currently stands, the lack of accessibility means that there is a section of the community who do not have the option to use PHVs, and this needs to be addressed so in future they have a feasible alternative to taxis. LTW believe this could be done through a combination of quotas and incentives to increase the number of accessible vehicles in London's fleet, but welcomed further proposals on how this could be achieved
- LTW said TfL should also continue their work to make other modes of transport more accessible, including improving step-free access across the Tube and Overground, and providing real-time information on lift and escalator services

Taxi Trade Tariff Team (LCDC, LTDA, RMT, UCG and Unite the Union)

The Taxi Trade Tariff Team said they were pleased that TfL has brought forward the revision of the Cost Index in order to bring the tariff timetable back to revisions being in the April, even though this comes at an additional cost to taxi drivers.

They said the only fair and reasonable options in the consultation are 1 and 2 and these are the only options that maintain drivers' real earnings.

They supported Option 1 and their comments on this included:

- Increases above 11.64 per cent have been awarded to other transport workers and these are for pay only
- If taxi drivers' increased costs are discounted from the 11.64 per cent figure then there is 4.02 per cent for net earnings. This is below the norm for current pay increases and is out of date as the Cost Index was updated in June but by the time the tariffs are revised in April costs will be running 10 months behind current prices and not accounting for cost rises for 12 months into the future
- Under current economic circumstances it is entirely possible that 11.64 per cent will do no more than cover increased costs by the time of the 2024 revision
- While the Taxi Trade Tariff Team has supported freezing Tariffs 3 and 4 since 2016 these should now be allowed to rise with the remainder of the tariffs because seven years will have passed without an increase in these rates. During this time taxi drivers that work only or mainly on Tariffs 3 and 4 have seen their costs rise by 18.58 per cent with no tariff increase. This means their real earnings have been eroded by 28 per cent during this period and another freeze on these rates is unsustainable and is already producing a supply shortage at night

The Taxi Trade Tariff Team commented on supply and demand and said:

- They understood the need to take into account the effect any increase will have on demand but they were not unduly concerned about these effects and

they contend that taxi fares have an inelastic price elasticity of demand and this was borne out by the study commissioned by TfL

- They said they understood that TfL have a duty to consider the needs of disabled people, and in particular Taxicard members, and if they can afford taxi fares. They said there would be little value in maintaining taxi fares at an artificially low price as that could result in an insufficient supply to maintain the service to vulnerable people. They added that the Taxicard scheme is already facing increasing problems with late and cancelled taxis since the economy has returned to something like normal and restricting any increase below 11.64 per cent would exacerbate this situation, particularly as drivers receive only 80 per cent of the metered fare on Taxicard fares
- The London taxi fleet was in decline prior to the coronavirus pandemic and the pandemic accelerated the decline. They said that the decline of the trade can be traced back to the start of PHV apps being used in 2013/14 and allowing PHVs to operate as pseudo-taxis since then has had an effect on taxi demand but they believe, an even greater effect on supply
- Taxi driver numbers have declined, in December 2014 there were 22,597 taxis and 25,546 taxi drivers in London, As of the 20 November 2022, the taxi fleet had declined although has partially recovered to 14,728. Taxi driver numbers have consistently fallen from 2014, with no recovery since the end of the coronavirus pandemic. Taxi driver numbers have fallen to 18,760 from 25,546, a fall of 26.9 per cent. An ageing driver cohort is not being replaced by new entrants
- Awarding a tariff increase of anything less than that indicated by the tariff review, 11.64 per cent, is more likely to worsen this under-supplied taxi service, rather than assist any recovery

Unite the Union also submitted a separate response, this was the same as the response submitted by the Taxi Trade Tariff Team but also included responses to some of the questions in the online survey and Unite:

- Thought the minimum fare and tariffs were all a little too low
- Gave a rating of 10 for the value for money of taxi fares in London
- Fully supported increasing some of the fixed fares for shared taxis during the Wimbledon Tennis Championships and amending the authorised place where the fixed-fare, shared-taxi scheme operates from

Transport for All (TfA)

TfA said they believe the minimum fare is too high and were submitting a response to the consultation as this is an issue that directly relates to disabled people. They said that they know from the experience of their members and wider disabled community that sometimes the taximeter is being started early and often before a taxi driver has gotten out of their vehicle to assist the passenger. TfA said this is a breach of the Equality Act, and speaks to a need to monitor taxis in London beyond increasing fares and means that the minimum £3.80 charge is not always an accurate representation of what the actual minimum charge is for disabled people who use taxis.

TfA said that taxis are already prohibitively expensive for disabled customers and that not only are the meters often begun before disabled customers are in the vehicle, but TfA also know that disabled people face a disproportionately higher cost of living – on average, £583 per month (Scope, 2019), although this data was collected before the current cost of living crisis, meaning that this amount is exceedingly likely to have gone up. TfA said that given that their door-to-door nature means that taxis are often the most accessible and reliable form of transport for disabled people, TfA feel any rise in fare will have a disproportionately negative impact on disabled passengers. TfA said they know that taxi drivers and operators are facing increased operating costs, however the disabled consumer should not be responsible for covering those costs.

TfA added that they are concerned at the consultation proposal to amend the authorised place for pickup during the shared taxi, fixed fare scheme. They feel that if this authorised space is the most convenient place for pickup, and if changes are not appropriately or adequately communicated, disabled people's taxi journeys could potentially be negatively impacted. They said it can be extremely stressful not knowing exactly where the taxi will be able to pick you up, whether the taxi can come directly to your location, etc. and if the authorised place in its current form mitigates those stress factors, any changes must first be directly consulted on with disabled people, and communicated in a variety of formats (including BSL, large print, Easy Read, etc.).

TfA felt that the consultation needs to consider the added cost of taxis that disabled people face, which is especially important given their nature as the most accessible form of transport. They said that cost of taxis is a significant barrier to their use, and is coupled with other barriers that disabled people face when accessing taxis. These include inappropriate and negative driver attitudes, the design of vehicles, access refusals, and more. TfA said this consultation presents an opportunity to address the cost of taxis, and to consider what measures can be taken to ease the financial burden for disabled passengers.

TfA said that their comments come from several pieces of data, and from the experiences of their members.

They also included a case study below to show the real-life detrimental impacts that high taxi fares in London can have.

In late October 2022, Edith contacted Transport for All on behalf of her brother Marcus* who has a learning disability and a mobility impairment. Marcus lives in an outer London borough attends a Day Centre in a neighbouring borough three times a week. Attending the Day Centre is extremely important to Marcus as it offers a sense of stability, which Edith mentioned was the most important thing to him following a death in the family. Many of Marcus' friends and his partner also visit the Day Centre regularly (*names changed to protect our members' privacy).*

Marcus is a member of the Taxicard scheme, but with an allocation of a mere 102 trips per year, his transport options were running out quickly as he used 6 of his Taxicard trips weekly (for journeys out and back). Marcus cannot use public transport as it doesn't work for him, so he relies on door-to-door options.

Edith shared that she was paying for Marcus' private taxis out of pocket, to ensure that Marcus doesn't miss out on any of his Day Centre visits. This was costing her £30-35 per day, or up to £105 per week, only for the essential trips, with a lack of suitable taxis available to Marcus also placing a considerable amount of stress on the family. There were no alternative options, as community transport in the area was at capacity, with vehicles used for school runs, which happened to occur at the same time as Marcus needed transport.

This financial, emotional and administrative burden imposed on Marcus and his family is unacceptable. With over half of taxi drivers having left the trade over the Covid-19 pandemic, disabled people are yet again disproportionately affected and left with minimal options to get around. The situation is even more severe for disabled people who cannot use public transport, such as Marcus. Disabled people and their families simply cannot afford to pay such extreme amounts of money each week to get around. This case only described trips that are absolutely essential for Marcus. Extremely high taxi fares in a cost-of-living crisis mean that disabled people have to fight to make their essential journeys and significantly cut back on leisure journeys, leaving many isolated and worried for their future.