

Since the last fees were set in 2013, the method of calculating the fees has changed. This has happened because a high court case taken by taxi drivers in Guildford against the Council over the setting of tariffs. The result was that Guildford won the case after the High Court approved the way the Council had set the tariff. The spreadsheet used by Guildford has become best practice for setting tariffs amongst many authorities and is advocated as legally compliant by many specialist taxi solicitors and barristers.

This means our process for fee setting must be robust and capable of being subject to scrutiny should it be necessary.

An example of the Guildford model spreadsheet with Exeter figures is presented below in Table A

Table A

Exeter Hackney Carriage Fares Calculator 2022									
ITEM	Average Running Costs Per Vehicle			Flag Drop	ITEM	Enter Variable Data in Pink Boxes on this sheet and "Calc for running costs"			
1	Annual Salary (A)	£25,971.00		T1 2.70	A	Average Salary	£25,971.00		
2	Average Running Costs (B X E)+(C + D + G + H + I)	£17,245.07		T2 3.20	B	Costs of Running Diesel Car (per mile)	£0.55 (From "Calc for running costs")		
3	Total Running Costs (1 + 2)	£43,216.07		T3 4.00	C	Additional Allowance for Insurance	£1,700.00		
4	Average Live Mileage (E - F)	13,428.25		T4 4.00	D	Annual cost of Hackney Carriage Licence	£360.00		
5	Cost per mile 3 ÷ 4	£3.22			E	Annual Average Mileage	24,415.00		
6	Total Charge per Mile (3 - K x T1) ÷ 4	£2.14	£2.67		F	Dead Mileage	45%	10,987	
	Charge for each Distance Unit is: (incorporating flag drop)	Tariff 1	Tariff 2		G	Annual Station Rank Fee	£672.40		
	82 yards (L) =	10.00 pence	10.00		H	Annual Cost of Driver's Licence (Pro-Rata)	£115.00		
	(6 ÷ M)				I	Average annual cost of Livery, Roof Sign and Meter	£1,030.00		
7	Round to nearest 10 pence	10 pence	10		J	Average Journey Distance (Miles)	2.5		
	Rounded Charge per Mile	£2.15	£2.65		K	Average number of journeys	5371.30		
	Charge for time per unit	0	0		L	Distance unit = Unit charge x (1760/charge per mile)	Tariff 1	Tariff 2	
	Charge for time. One mile or				M	Units per mile (1760/Unit Distance)	82 yards	66 yards	
	and				N	Charge per unit (input values from 7)	21.38	26.73	
					O	For each passenger in excess of one (pence)	10.00 pence		
	Date fare chart effective from	Day	Month	Year	P	Soiling the carriage leaving it unfit (pounds)	50 pence		
		1	8	2022			£100		
							(As agreed by officers in consultation with trade)		
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Table A has two parts to it. The figures on the right (and in pink) are all variables. Most of these are known or can be calculated e.g. annual average mileage. The average salary comes from the Office of National Statistics and is the median value for annual pay for all employees in the United Kingdom for 2021. The other value is dead mileage figure which is mileage the taxi covers when it does not have a paying passenger. The figure used by Guildford is 45%. We believe that an accurate reflection for Exeter is 50%.

In Guildford the second “night time” tariff is set as a proportion of the daytime tariff. This increase is to compensate for working anti-social hours. We have used 1.25 of the daytime tariff to calculate the night time tariff.

The existing fares within Exeter are shown in the Table B below

Table B

Fare Calculation for Exeter – Current Tariff							
	Flag Drop	Distance Unit	First Mile	Running Mile	2 miles	3 miles	5 miles
Tariff 1	£2.20	80 yards	£4.30	£2.20	£6.50	£8.70	£13.10
Tariff 2	£2.70	62.8 yards	£5.40	£2.80	£8.20	£11.00	£16.60
Tariff 3	£3.40	55 yards	£6.50	£3.20	£9.70	£12.90	£19.30

The Taxi Trade Associations have requested the fares shown in Table C below

Table C

Fare Calculation for Exeter – Exeter Taxi Association Request							
	Flag Drop	Distance Unit	First Mile	Running Mile	2 miles	3 miles	5 miles
Tariff 1	£2.70	80 yards	£4.80	£2.20	£7.00	£9.20	£13.60
Tariff 2	£3.20	62.8 yards	£5.90	£2.80	£8.70	£11.50	£17.10
Tariff 3	£3.40	55 yards	£6.50	£3.20	£9.70	£12.90	£19.30

Exeter City Council have proposed the fares shown in Table D below

Table D

Fare Calculation for Exeter – Guildford Model 50% dead mileage and £25,971 salary							
	Flag Drop	Distance Unit	First Mile	Running Mile	2 miles	3 miles	5 miles
Tariff 1	£2.70	72 yards	£5.10	£2.50	£7.60	£10.10	£15.10
Tariff 2	£3.20	57 yards	£6.20	£3.10	£9.30	£12.40	£18.60
Tariff 3	£4.00	46 yards	£8.50	£3.80	£12.30	£16.10	£23.70

At the moment the tariffs charged by other Councils (at the 2 mile point) are shown below in Table E below.

Table E

Council	2 mile Tariff	Position in National League Table
North Devon	£7.30	47 – Increase in 2022
East Devon	£7.15	61 – Increase in 2022
South Hams	£6.66	125 – Increase in 2022
Teignbridge	£6.60	144 – Increase in 2020
Plymouth	£6.60	139 – Increase in 2022
Bristol	£6.40	160 – Increase in 2013
Mid Devon	£6.80	100 – Increase in 2021

If the fare proposal which the Council is recommending is adopted, then the 2 mile fare would be £7.60 and the highest in our region. This proposal would place us 37th in the national fare table.

The Process

In accordance with the legislative requirements, once the Hackney Carriage Trade Representatives have had time to discuss with their members and come back to the Licensing Team with an agree association comments in writing, the matter will then be considered for writing a report to go through the Committee process.

In doing so, the following process will be followed.

1. A report will go to the Licensing Committee to make recommendations to Executive for a consultation on the fees.
2. The report will be considered at Executive, which if agreed will start a 6 week consultation period.

3. During the consultation period, a notice must be displayed in a local newspaper, stating the proposed fees and make comments
4. Once the consultation period of 6 weeks has expired, any comments made will be considered and a report will be drawn up for Executive to consider.
5. The matter will be presented to Executive in which the council then sets a date, which when the new fares will come into force.