

 Institute of Licensing

# Hackney Carriage Fares

## Section 65: Fixing of fares for hackney carriages

*"A district council may fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section."*

A close-up photograph of a digital taxi meter. The display shows the number '330' in a large font, followed by '.050' in a smaller font, and a small 'L' symbol. The background is dark, suggesting an evening or night setting.

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# Hackney Carriage Fares

**Department for Transport**

**TAXI AND PRIVATE HIRE VEHICLE LICENSING:  
BEST PRACTICE GUIDANCE**

March 2013

*...The Department sees it as good practice to review the fare scales at regular intervals, including any graduation of the fare scale by time of day or day of the week. Authorities may wish to consider adopting a simple formula for deciding on fare revisions as this will increase understanding and improve the transparency of the process...*

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## Hackney Carriage Fares

**The Guildford Method**

There are 3 elements to calculating fares in Guildford:

- The fare setting **procedure** (a written process including methodology)
- The fare **calculator** (an excel spreadsheet) used to undertake the calculations and produce a
- **Table of Fares** for consultation/use



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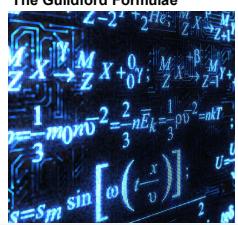
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## Hackney Carriage Fares

**The Guildford Formulae**



The Calculator takes the costs associated with running a taxi

- Average Salary
- Average Running Costs
- Additional Running Costs

And divides them over the average 'live' mileage to create a 'unit' mileage costs.

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## Hackney Carriage Fares

The Average Salary for Guildford

- Calculated from annual ONS data (ASHE reports)



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Average running costs are split into two types:

- standing charges – the basic costs of keeping the vehicle ready for use on the road
- The running costs – cost which depend directly on using the vehicle

Data obtained from AA with adjustments for inflation.

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## Hackney Carriage Fares



Additional Costs included:

- Licence Fees
- Station Permit
- Policy Costs
- Additional insurance

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## Flag Drop and Unit Charges

- Total costs divided by number of miles gives cost per mile
- Adjusted for flag drop
- Parts of miles calculated as a unit charge. It can be any value as long as it is a multiple of 10 pence.



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**Guildford Taxi Fares Calculator**

ITEM	Average Running Costs per Vehicle	Flag Drop	Enter Values in the Blue Boxes
1. Average Annual Salary	Item 1	£1,500	A. Average Annual Salary <span style="border: 1px solid blue; padding: 2px;">Item A</span>
2. Average Running Costs per mile (100 miles)	Item 2	£2.50	B. Costs of Running Diesel Car (per mile) <span style="border: 1px solid blue; padding: 2px;">Item B</span>
3. Total Running Costs	Item 3	£3,000	C. Additional Allowance for Insurance <span style="border: 1px solid blue; padding: 2px;">Item C</span>
4. Average Use Mileage (per year)	Item 4	16,400	D. Annual Cost of Hackney Carriage Licence <span style="border: 1px solid blue; padding: 2px;">Item D</span>
5. Cost per mile	Item 5		E. Average Mileage <span style="border: 1px solid blue; padding: 2px;">Item E</span>
6. Total Charge per Mile (100 miles)	Item 6	£15.00	F. Total Miles <span style="border: 1px solid blue; padding: 2px;">Item F</span> % <span style="border: 1px solid blue; padding: 2px;">Item G</span>
Costs for each customer unit in	Item 7		G. Arrival Station Taxi Fee <span style="border: 1px solid blue; padding: 2px;">Item H</span>
7. Miles = $(1 + \text{Units per mile})$	Item 7(a)		H. Additional Cost of driver's Licence (per year) <span style="border: 1px solid blue; padding: 2px;">Item I</span>
8. Charge for travel in taxi	Item 8		I. Additional Policy Costs <span style="border: 1px solid blue; padding: 2px;">Item J</span>
9. Each passenger in excess of one	Item 9		J. Typical Journey Distance (miles) <span style="border: 1px solid blue; padding: 2px;">Item K</span>
10. Waiting Charge	Item 10		K. Average number of Passengers <span style="border: 1px solid blue; padding: 2px;">Item L</span>
			L. Distance rate = Unit Charge $\times (1/100)$ (charge per mile) <span style="border: 1px solid blue; padding: 2px;">Item M</span> yards
			M. Units per mile (1/100 / Unit Distance) <span style="border: 1px solid blue; padding: 2px;">Item N</span>
			N. Charge per unit <span style="border: 1px solid blue; padding: 2px;">Item O</span> Pence

**Hackney Carriage Fares**

**GUILDFORD BOROUGH HACKNEY CARRIAGE FARE CHART effective [Date TBC]**  
All distance and time charges includes unoccupied parts thereof.

TIME & DAY/TIME RATE	TIME, NIGHT AND HOLIDAY RATE	TIME & DOUBLE DAY/TIME	4 EXTRA CHARGES
From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs
From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs
From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs
From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs
From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs
From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs
From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs	From 0600 hrs to 0900 hrs
From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs	From 0900 hrs to 1700 hrs
From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs	From 1700 hrs to 0600 hrs

**ITEMS BETWEEN Taxis and Taxis**

**£ Item 1** Maximum charge per each part or part of a part of a taxi (item 1)  
**£ Item 4** Maximum charge per each part or part of a part of a taxi (item 4)

**£ Item 2** Maximum charge per each part or part of a part of a taxi (item 2)  
**£ Item 3** Maximum charge per each part or part of a part of a taxi (item 3)

**Item 7(a)** For each additional second (item 7a)  
**Item 7(b)** For each additional second (item 7b)

**Item 8** Maximum charge per each part or part of a part of a taxi (item 8)  
**Item 9** For each passenger (item 9)

**Item 10** Scaled per carriage (item 10)

**ALL LUGGAGE CARRIED INSIDE OR OUTSIDE THE PASSENGER COMPARTMENT IS FREE OF CHARGE**

If the journey taken the taxi outside the GUILDFORD Borough area, the driver MUST add charge in accordance with the above scale unless he has agreed otherwise with the taxi before the taxi key has arrived. These are the maximum fares charged.

Any vehicle driven in this or other areas should be licensed by the Local Authority concerned. Details of the vehicle and the driver should be given to the Local Authority concerned.

**The Table of Fares**

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**Hackney Carriage Fares**

**Common Pitfalls**



- Fare Setting is Executive Function
- Make sure delegations are up to date to adjust costs inputted and approve consultation and consider objections if necessary
- Each local area will have different costs and mileage
- Mileage over past 12 months affected by covid

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**Hackney Carriage Fares**

**A final note to recommend engaging with the trade**



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