

AGENDA ITEM 6

TITLE: HACKNEY CARRIAGE FARES - CONSIDERATION OF REQUEST FROM TRADE TO INCREASE FARES

Committee: Licensing Committee

Date: 10 September 2025

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1.0 Issue

- 1.1 To consider increasing the fares payable by members of the public to use an East Cambridgeshire District Council taxi following a formal request from members of the taxi trade.

2.0 Recommendations

- 2.1 That Members consider the content of this report, and instruct officers to vary the existing Table of Fares using the proposed Table of Fares contained in **Table 7**, to take effect from **1 October 2025**, subject to the statutory consultation process, as detailed in paragraphs 3.3 and 3.4 below.

3.0 Background

- 3.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (“the 1976 Act”) gives the Council power to set fares within the district for the time and distance travelled and all other charges in connection with the hire of hackney carriages. Such fares are specified in a “Table of Fares” which may be varied from time to time.
- 3.2 Hackney Carriage Drivers are at liberty to charge fares lower than the specified Table of Fares, but are not permitted to charge higher fares for journeys taking place wholly within the district. Journeys commencing outside of the district (due to the driver undertaking a pre-booked journey) do not need to be charged in accordance with the approved fare chart. However, journeys commencing within the district and ending outside of the district must be charged by the meter unless an agreement to pay more than the metered fare is made with the customer in advance of the journey commencing.

- 3.3 The law requires that any change to the “Table of Fares” must be advertised publicly in at least one local newspaper for a period of not less than 14 days before the proposed change takes effect. The public notice must also be available at the Council offices for inspection free of charge at all reasonable hours during the consultation period.
- 3.4 If no objections are received during the consultation period then the changes outlined in the notice will come into effect on a date stated in the public notice. If objections are received and not withdrawn, they must be considered by the Council and a decision made to set a date for the proposed changes to the Table of Fares (with or without modification having considered any such objections) such change to take effect not later than two months from the original effective date stated in the public notice referred to in paragraph 3.3 above.
- 3.5 The Council last varied its Table of Fares in 2022, with the current Table of Fares (**Table 8 in this report**) coming into effect on 28 September 2022.

4.0 Discussion

- 4.1 Whenever fares are discussed, it is important to balance the right of the trade to earn a living, whilst at the same time reflecting that any upwards movement will have an impact on the very people the trade rely on to make their living.
- 4.2 With this in mind it is important to take into account as much information as possible when arriving at a decision. The following paragraphs attempt to provide the necessary facts for Members to make an informed decision.

Fuel

- 4.3 Tables 1 and 2 below illustrate the fluctuations in the average UK petrol and diesel prices between September 2022 and July 2025. Overall, these tables show a steady fall in fuel prices between these two dates.
- 4.4 The current average cost at the time of writing this report is shown in the tables as £133.9 a litre for petrol and £141.1 for diesel.

Table 1 - Petrol

Month	2022	2023	2024	2025
January	N/A	148.8	139.5	136.5
February	N/A	147.9	142.9	139.0
March	N/A	146.9	144.7	137.9
April	N/A	145.9	148.5	134.9
May	N/A	144.6	149.2	132.0
June	N/A	142.9	145.1	131.4
July	N/A	142.8	144.6	133.9
August	N/A	147.8	141.9	N/A
September	167.6	154.1	136.5	N/A
October	162.8	155.1	133.9	N/A

November	164.4	152.4	134.9	N/A
December	154.0	143.8	136.4	N/A

Table 2 - Diesel

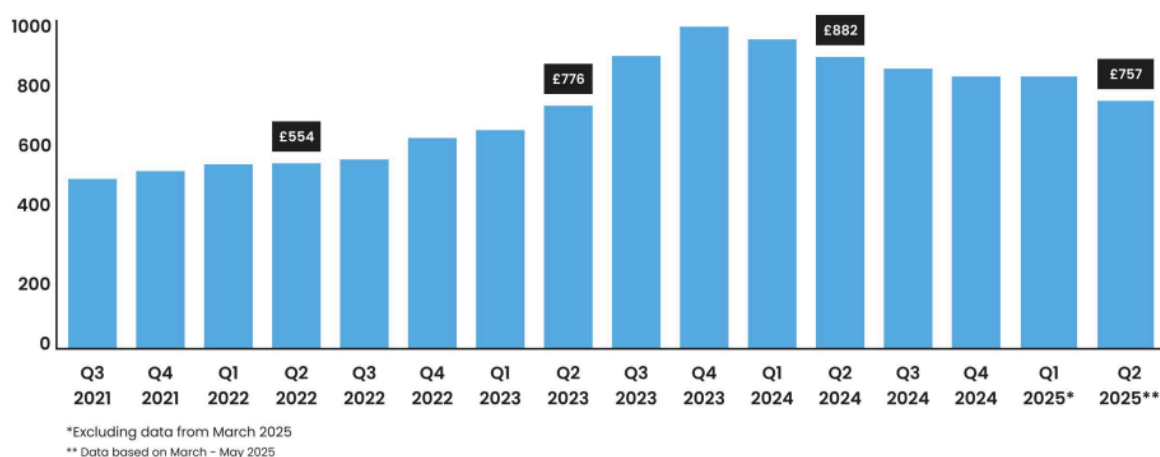
Month	2022	2023	2024	2025
January	N/A	171.6	147.9	143.3
February	N/A	169.7	150.3	146.5
March	N/A	167.0	153.8	145.4
April	N/A	162.1	157.5	141.9
May	N/A	155.5	157.1	138.6
June	N/A	145.2	150.7	137.5
July	N/A	144.6	150.6	141.1
August	N/A	150.4	148.5	N/A
September	182.2	158.2	141.6	N/A
October	181.9	162.3	139.1	N/A
November	188.9	160.4	140.1	N/A
December	177.6	150.4	142.5	N/A

4.5 In real terms this means that it was costing an average taxi driver with a standard people carrier vehicle type running on diesel £127.54 to fill their 70l tank in September 2022 and is currently costing £98.77.

4.6 A random selection of vehicles from the list of licensed Hackney Carriages suggests an average taxi driver currently drives approximately 32,835 miles a year, so this decrease in fuel cost would equate to a £5,253.60 a year fuel cost at 40mpg, compared to £6,788.63 in September 2022. A decrease of £1,535.03.

Vehicle Insurance

4.7 It is not possible to obtain specific taxi insurance price information charted over the 2022 to 2025 period, however, the chart below obtained from a web-based comparison website shows that standard vehicle insurance premiums. They appear to have followed a similar trend to fuel prices in the above time frame.



- 4.8 “AI” powered search results suggest taxi insurance premiums have largely followed the same trend as privately owned standard use vehicles over the 2022 to 2025 period. According to Confused.com the average insurance premium has increased 11% annually since 2022, resulting in premiums being 36% higher in 2025 compared to 2022.
- 4.9 As taxi insurance premiums are significantly higher than standard insurance policies, it is estimated that an average driver would have paid £1,850 per annum in 2022 for their insurance and will now be paying in the region of £2,500 per annum.

Vehicle maintenance and depreciation

- 4.10 The cost of a compliance test in 2022 varied from garage to garage as it does now, but was approximately £55.00 every 6 months for vehicles over 6 years, and every 12 months for vehicles under 6 years of age, and remains largely the same now.
- 4.11 A phone around a number of our approved garages suggests that due to increases in employee NI and other contributory factors, whilst there remains a very competitive market for vehicle servicing and maintenance, they have increased their hourly rates approximately 14% since 2022. They also advised that the costs of parts such as brakes, tyres and oil have increased since 2022, and very noticeably since the beginning of 2025. Most common maintenance parts have increased by around 30% since 2022.

Tyres - £500 per annum
 Road duty - £300 per annum
 Service - £700 per annum
 Brakes - £360 per annum
 Depreciation allowance - £3,000 per annum

Total: £4,860 per annum

Licence fees

- 4.12 Licence fees remain at the same level as 2022

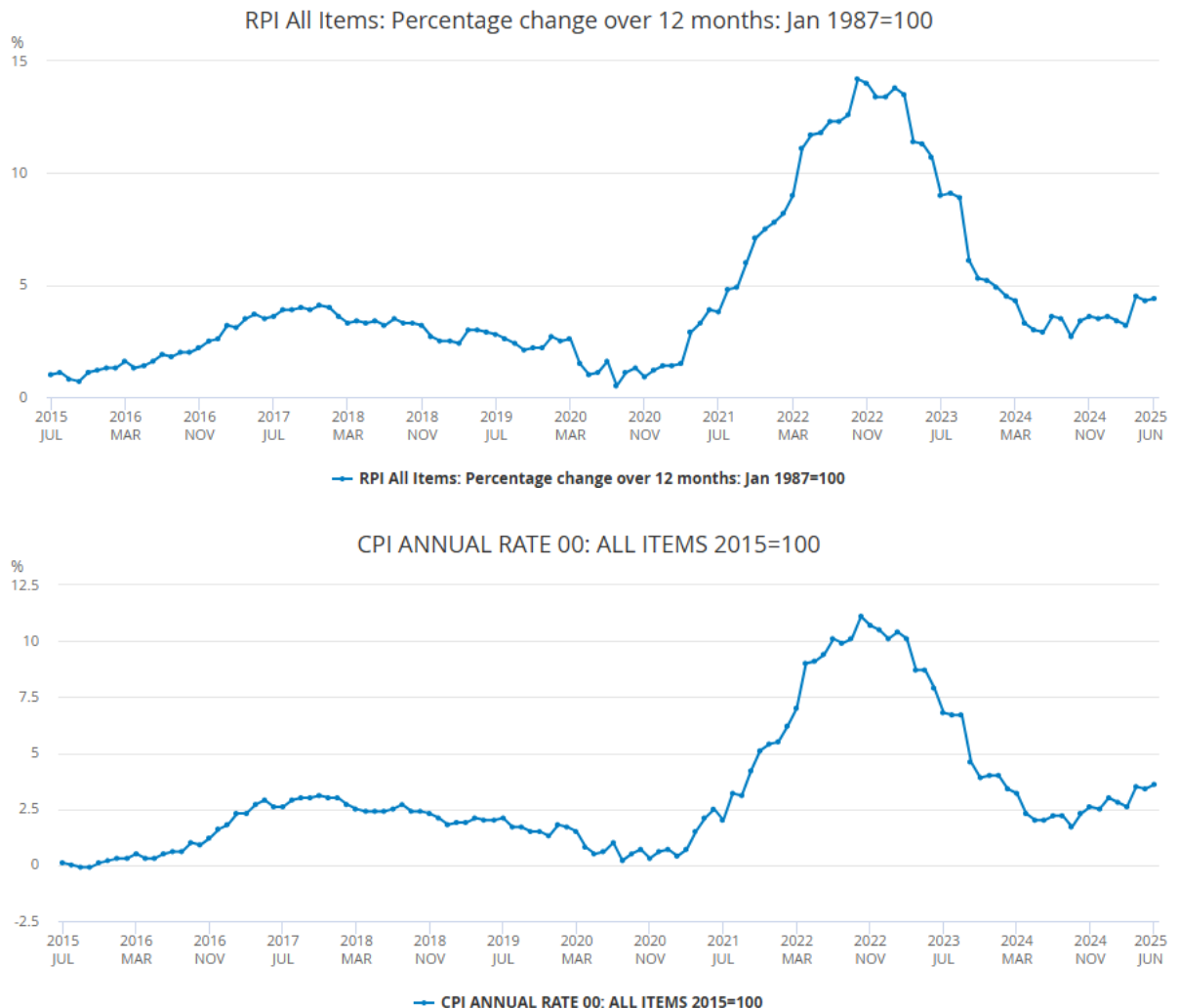
Table 3 – Licensing fees

Driver licence	Vehicle licence	Total annual cost	Cost per week
£175	£250	£425	£8.17

- 4.13 In addition to the licence fees, insurance and vehicle compliance testing, licence holders also have to provide a medical certificate every three years, pay for a DVLA licence check annually, and subscribe to the DBS update service. It is estimated that these costs are approximately £45 to £50 per annum.

Inflation

- 4.14 Given that fuel availability and pricing is a major influencing factor over inflation, it is perhaps not surprising that the RPI and CPI inflation charts below mirror the fuel price fluctuations over the same period.



- 4.15 It is estimated that since the last fares increase in 2022, inflation has in real terms reduced real world income by approximately 7% per year.
- 4.16 To put fares into context, it is useful to estimate how much of an impact the differing factors may have had on the trade's overall income. This is no easy task, as there is no such thing as a standard taxi driver income due to the many variances with working practices. However, it is possible using the Department for Transport's 2023 Private Hire and Taxi Statistics document to create a base model income.
- 4.17 We already know from our database that an average full-time taxi driver in the district covers approximately 32,835 a year at present, but this is total miles covered, not total chargeable miles. To provide a more accurate figure of earning potential it is necessary to reduce this figure by 50% to take into

account so called “dead miles” where a driver returns to the rank, or returns to their home, or may fulfil domestic journeys with no paying passengers on board. Table 4 below shows the results of this.

The mileage rate in brackets reflects the average mileage cost.

Table 4 – Estimated inflationary impact on income

Total chargeable mileage on Rate 1		16,415	
Duration of trips	% of total trips by duration	Total mileage to be charged	Total estimated income using 2022 table of fares
1 mile	3	492	£2,263.20 (£4.60 per trip)
2 miles	19	3119	£10,604.60 (£3.40 per mile)
5 miles	49	8044	£21,557.92 (£2.68 per mile)
9 miles	18	2955	£7,298.85 (£2.47 per mile)
25 miles	9	1477	£3,397.10 (£2.30 per mile)
Over 25 miles	2	328	£751.12 (£2.29 per mile)
Total estimated income in 2022			£45,872.79
Total income required in 2025 to offset inflation (based on a cumulative 21% increase)			£55,506.08

4.18 Table 5 below shows a summary of estimated gains and losses over the past five years.

Table 5 – Effect of savings and costs since 2022

	Fuel (Total cost per annum based on 40mpg av.)	Associate d licensing costs	Vehicle and maintenanc e costs	Insurance	Inflation adjustment on earnings	Total
2022	£6,788.63	£475.00	£2,142.00	£1,850.00	£45,872.79	
2025	£5,253.60	£475.00	£4,860.00	£2,500.00	£36,239.50*	
+/-	- £1,535.03	Zero	+£2,718.00	+£650.00	-£9,633.29	- £11,466.26

* 2025 estimated income minus 21% inflation.

5.0 Arguments

- 5.1 The information available shows that whilst licensing costs and other associated costs, such as driver medicals, DBS certificates, and compliance testing have remained static over the past three years, post covid inflation is impacting the trade. The costs of purchasing and maintaining suitable EURO 6 second-hand vehicles is significantly higher than it was in 2022.
- 5.2 It should be noted that when it comes to looking at inflationary factors all members of the community are affected, and so it would not be appropriate to consider increasing fares to a point where taxi drivers are the only members of the community who are entirely ring fenced from all of these economic pressures. However, it is important to acknowledge that taxi drivers are affected by both increasing direct business costs and increasing domestic expenditure caused by inflationary factors.
- 5.3 Members of the public choose to use a service when it is reliable, and affordable, and so increasing fares can also have a negative impact on a driver take home pay. Essentially, taxi proprietors only receive an income if they receive a fare paying passenger, whether this is off the rank, the street, or a pre-booked fare. If the price is not affordable people will opt for alternative modes of transport; this may be a private hire vehicle willing to work for a lower fare, or it may see them taking a bus, bike, car share, choosing to walk if the journey is reasonably short, or they may simply choose to use technology and not travel at all.
- 5.4 Whilst each area of the country has unique socio-economic factors to contend with, it is worth noting how the current Table of Fares places us compared to our nearest neighbouring authorities, where similar socio-economic factors exist. See Table 6 below.

Table 6 – Neighbouring authority fares comparison

Council	2 mile fare (Rate 1)	2 mile fare (Rate 2)	Last increased	Flag rate (Rate 1) (Rate 2 in brackets)
Fenland	£6.20 (6)	£9.30 (4)	2022	£4.00 (£6.00) - 1760 yards (1 mile)
South Cambs	£7.50 (3)	£8.60 (5)	2022	£3.30 (£4.40) – 100.6 yards
Hunts	£8.30 (2)	£12.90 (1)	2022	£2.90 (£3.90) - 110 yards
Cambs City	£8.60 (1)	£9.85 (3)	2024	£3.80 (£5.05) - 98.42 yards
West Suffolk	£7.20 (4)	£10.80 (2)	2022	£4.60 (£6.90) - 1424 yards (1 mile)
City of Peterborough	£6.00 (7)	£7.50 (7)	2022	£3.50 (£4.00) - 1760 yards (1 mile)
East Cambs	£6.80 (5)	£8.40 (6)	2022	£4.60 (£6.20) - 1760 yards (1 mile)

6.0 Conclusion

- 6.1 As detailed in paragraph 5.3 above licensed drivers only earn a living if people use their service, and so increasing fares can actually have a negative impact and result in an income reduction. Having said this, the trade have requested a review of the fares, and the evidence suggests that there is a good case to increase the fares that can be lawfully charged in order to offset the increased financial burdens that the trade is finding itself subjected to.
- 6.2 It is suggested that lowering the flag yardage from 1 mile or 1760yds to 960yds, and lowering the flag rate to £4.20 on rate one will increase every journey taken by £1.00, and increasing the rolling rate from 20p to 25p on rate one, and 30p to 35p for rate two would create an overall increase in fares of approximately 20% across all fares and travel times. Table 7 (below) illustrates how this could be achieved, and Table 8 (on the next page) shows the current fares chart:

Table 7 – Recommended ECDC Table of Fares

Rate	First 960 yards (644 meters)	For each 160 yards (146.3 meters) or uncompleted part thereof	Waiting time per minute	Two mile cost	Five mile cost
Rate 1 7am to 9pm Mon – Sat	£4.20	£0.25 (£2.75 per mile)	£0.40	£8.20 (+20%)	£16.45 (+20%)
Rate 2 9pm to 7am Mon – Sat and Sunday 7am until 7am Monday and Bank Holidays (excl. Christmas & New Year)	£6.20	£0.25 (£2.75 per mile)	£0.40	£10.20 (+20%)	£15.00 (+20%)
Rate 3 9pm Christmas Eve to 7am 27 th December and 9pm New Year's Eve to 7am 2 nd January	£8.00	£0.35 (£3.85 per mile)	£0.40	£13.60 (+20%)	£25.15 (+20%)
Each passenger in excess of one (persons under the age of 18, and person(s) accompanying a passenger who requires assistance due to their physical or mental health shall not be counted)				£0.25 per person, per trip	
Soiling charge				Not to exceed £150.	

Table 8 – Current ECDC Table of Fares

Rate	First mile	For each 160 yards or uncompleted part thereof	Waiting time per minute	Two mile cost	Five mile cost
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Rate 1 7am to 9pm Monday to Saturday (excl. Bank Holidays)	£4.60	£0.20 (£2.20 per mile)	£0.40	£6.80	£13.40
Rate 2 9pm to 7am Monday to Saturday and Sunday 7am to 7am Monday (excl. Bank Holidays)	£6.20	£0.20 (£2.20 per mile)	£0.40	£8.40	£15.00
Rate 3 All Bank Holidays & 9pm Christmas Eve to 7am 27 th December and 9pm New Year's Eve to 7am 2 nd January	£8.00	£0.30 (£3.30 per mile)	£0.40	£11.30	£21.20
Each passenger in excess of one (persons under the age of 18, and person(s) accompanying a passenger who requires assistance due to their physical or mental health shall not be counted)			£0.25 per person, per trip		
Soiling charge			Not to exceed £150.		

7.0 Additional Implications Assessment

7.1 In the table below, please put Yes or No in each box:

Financial Implications	Legal Implications	Human Resources (HR) Implications
Yes	Yes	No
Equality Impact Assessment (EIA)	Carbon Impact Assessment (CIA)	Data Protection Impact Assessment (DPIA)
No	No	No

Financial implications

7.2 From a taxi proprietor's point of view the recommendation in this report would see a driver earning an average of 20% more than they currently do using the Department for Transport's 2023 Private Hire and Taxi Statistics document, see Table 9 below.

Table 9 – Impact comparison on income if recommendation is followed

Total chargeable miles on Rate 1	16415
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Duration of trips	% of total trips by duration	Total mileage to be charged	Total estimated income current	Total estimated income future
1 mile	3	492	£2,263.20 (£4.60 per trip)	£2,681.40 (£5.45 per trip)
2 miles	19	3119	£10,604.60 (£3.40 per mile)	£12,787.90 (£4.10 per mile)
5 miles	49	8044	£21,557.92 (£2.68 per mile)	£26,464.76 (£3.29 per mile)
9 miles	18	2955	£7,298.85 (£2.47 per mile)	£9,012.75 (£3.05 per mile)
25 miles	9	1477	£3,397.10 (£2.30 per mile)	£4,224.22 (£2.86 per mile)
Over 25 miles	2	328	£751.12 (£2.29 per mile)	£934.80 (£2.85 per mile)

Total estimated income	£45,872.79	£56,105.83
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Difference	+£10,233.04 (+22%)
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- 7.2 From a customer point of view, the lowering of the initial flag yardage from one mile to approximately 6/11ths of a mile with a lower flag rate will see their average trip increase by £0.85 per journey on rate one.

Commuters returning to the city prior to 9pm will still benefit from accessing rate 1 charges.

- 7.3 From an operator's point of view, these changes should enable them to cover the associated costs of employing drivers for unsociable hours, and the increases should also allow them to continue to invest in their fleet, especially the drive towards lower CO² emitting vehicles.
- 7.4 The recommended increase will place the Council's rate 1 fares 3rd (3rd in 2022) and our rate 2 fares also 3rd (5th in 2022) compared to our neighbouring authorities.

Table 10 – Post increase neighbouring fares comparison

Council	2 mile fare (Rate 1)	2 mile fare (Rate 2)
Fenland	£6.20 (6)	£9.30 (5)

South Cambs	£7.50 (4)	£8.60 (6)
Hunts	£8.30 (2)	£12.90 (1)
Cambs City	£8.60 (1)	£9.85(4)
West Suffolk	£7.20 (5)	£10.80 (2)
City of Peterborough	£6.00 (7)	£7.50 (7)
East Cambs	£8.20 (3)	£10.20 (3)

Legal Implications

- 7.5 As mentioned in paragraph 3.3 of this report, any change made to the Table of Fares must be advertised and any comments received as a result of this consultation must be considered by Members at a further committee which must be held within two months of the date of commencement specified in the original notice published. Due to this, it is further recommended that **1 October 2025** is used as the date of commencement. The cost of this notice is covered in the licensing budget. Failure to follow these regulations would result in an unlawful tariff of fares that cannot be enforced.
- 7.6 Officer time has been required to prepare this report, and will be required to deal with the consultation exercise. Member time has been required to consider this report, and may be required if comments are received. These costs will come out of the Licensing Department's budget.
- 7.7 An Equality Impact Assessment (EIA) has been completed showing there is no adverse impact on the community if Members follow the Officer recommendations at this stage. Members of the trade, public and representative organisations will be invited to submit comments via the required public consultation, and should any comments be submitted these will be heard at a future hearing.
- 8.0 **Appendices**
- 8.1 None

Background Documents	Location	Contact Officer
The Local Government (Miscellaneous Provisions) Act 1976	Room SF208 The Grange, Ely	Stewart Broome Senior Licensing Officer (01353) 616477
Department for Transport's - 2023 Private Hire and Taxi Statistics		
RAC website		
Office for National Statistics		