

# Appendix C

## How the proposed fares have been calculated

Hackney Carriage Fares Calculator						
ITEM	Average Running Costs Per Vehicle	Flag Drop	ITEM	Enter Values in the Pink Boxes		
1	Annual Salary (A)	Item 1	T1	3.00	A Average Salary	Item A
2	Average Running Costs (B X E) + (C + D + G + H + I)	Item 2	T2	3.50	B Costs of Running Diesel Car (per mile)	Item B
3	Total Running Costs (1 + 2)	Item 3	T3	6.00	C Additional Allowance for Insurance	Item C
4	Average Live Mileage (E - F)	Item 4	T4	4.00	D Annual cost of Hackney Carriage Licence	Item D
5	Cost per mile $3 \div 4$	Item 5			E Annual Average Mileage	Item E
6	Total Charge per Mile $(3 - K \times T1) \div 4$	Item 6(a)	Item 6(b)		F Dead Mileage	Item F1 % Item F2
	Charge for each Distance Unit is:	Tariff 1	Tariff 2		G Annual Rank Fee	Item G
7	Item L yards (L) $(6 \div M)$	=	Item 7(a) pence	Item 7(b)	H Annual Cost of Driver's Licence (Pro-Rata)	Item H
8	Charge for time per unit	Item 8(a) seconds	Item 8(b)		I Additional policy costs	Item I
9	Each passenger in excess of one		Item 9		J Average Journey Distance (Miles)	Item J
10	Soiling charge		Item 10		K Average number of journeys	Item K
					L Distance unit = Unit charge x (1760/charge per mile)	Tariff 1 Item L yards
					M Units per mile (1760/Unit Distance)	Item M
					N Charge per unit (input values from 7)	Item N pence

Item		How calculated
A	Annual average salary	This is taken from Office of National Statistics data for the districts.
B	Average running costs per vehicle	<p>This is taken from the Automobile Association running costs data for a diesel vehicle, adjusted for inflation using ONS RPI Motoring Expenditure Costs Index.</p> <p>It includes factors such as the capital cost of the vehicle and depreciation as well as the costs of road tax, insurance, breakdown cover, fuel, replacement tyres, service labour costs, replacement parts and the cost of parking and tolls.</p>
C	Additional allowance for insurance	Additional costs are taken into account to recognise higher insurance premiums for hackney carriages. This is taken from an average of a sample of hackney carriage insurance certificates received in November 2023. The figure used for the average cost of annual insurance used is <b>£1,150</b> .
D	Annual cost of Hackney Carriage licence	Included in explanation for Item I
E	Annual average mileage	This is the total mileage of the vehicle minus private mileage. MOT/compliance test data has been used for licensed hackney carriages with typical annual mileage for a private vehicle (from gov.uk) deducted. This gave us a figure of <b>20,000 miles</b> when rounded to the nearest 100 miles.
F	Dead mileage	<p>This is the distance travelled without a passenger, excluding private mileage.</p> <p>A number of factors prevent an exact calculation of dead mileage. If a taxi takes a customer from A to B and always returns empty to A, the dead mileage will always be half of the total mileage. The factors are:</p> <ul style="list-style-type: none"> <li>• taxis do not always return empty to the point of initial departure</li> <li>• taxis may travel with a customer from point A to point B and then onto point C avoiding any dead mileage</li> <li>• taxis may be flagged down when empty</li> <li>• pre-bookings can reduce the amount of dead mileage for example from Point A to the taxi rank and then from the taxi rank to point B</li> <li>• taxis drivers use the vehicle travelling to and from work</li> <li>• some drivers use their taxi for personal journeys</li> </ul>

		<p>HMRC state that any travel to and from the taxi driver's place of work is not deemed to be dead mileage for the purposes of calculating tax liability.</p> <p>Dead mileage has been set at <b>45%</b> in line with other local authorities using this model to calculate taxi tariffs.</p>
G	Annual rank fees	There is no charge for hackney carriages to use the council ranks.
H	Annual cost of driver's licence	Included in explanation for Item I
I	Additional policy costs	These are the average annual costs incurred by hackney carriages. They include the annual hackney carriage licence fee, average vehicle testing fees and annual pro-rata amounts of the driver licence, DBS, and disability awareness and safeguarding training fees that are required under our taxi licensing policy. The figure used here is <b>£616</b> .
J	Typical journey distance	<p>This is the average distance per hackney carriage journey with a fare-paying passenger.</p> <p>Based on comparisons with other geographically similar areas, we have used <b>2.5 miles</b> as the typical journey distance.</p>
K	Average number of journeys	This is calculated using the annual live mileage and the typical journey distance.