

TRANSPORT FOR LONDON

BOARD

**SUBJECT: LEICESTER SQUARE FIXED FARE SCHEME**

**DATE: 23 JUNE 2010**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 The purpose of this paper is to propose changes to the Leicester Square fixed fare scheme and request delegated authority to officers to make further amendments to the scheme as appropriate, and within specific parameters, from time to time.
- 1.2 The Leicester Square fixed fare scheme was approved by the TfL Board in February for implementation from 10 April 2010. The scheme was not implemented on this date as, following further consultation with the taxi trade, it became apparent that further changes were required in order for the scheme to be successful.
- 1.3 The Surface Transport Panel considered a similar report at its meeting on 19 May 2010. The Panel supported the recommendations, subject to the removal of the 12 mile outer boundary of the scheme. An amended report was considered by the Finance and Policy Committee at its meeting on 9 July 2010. The Committee supported the recommendations to the Board.

**2 BACKGROUND**

- 2.1 The Metropolitan Public Carriage Act 1869, the London Cab and Stage Carriage Act 1907 and the London Cab Act 1968 allow TfL to make regulations setting taxi fares. TfL may prescribe fares based on time or distance or both and may prescribe different fares for different circumstances. Under TfL's Standing Orders, any proposal to make, amend or revoke a Cab Order which prescribes fares for taxis must be approved by the TfL Board.
- 2.2 On 3 February 2010, the TfL Board approved the operation of a fixed fare scheme from Leicester Square between 10pm and 4am on Monday to Sunday nights and the making of a London Cab Order to give effect to the scheme. The scheme was to operate on Friday and Saturday nights only while the success of the scheme was evaluated over a pilot period of up to one month.
- 2.3 The scheme, supported and devised in partnership between the City of Westminster, taxi driver associations and the Heart of London business alliance, is to be operated by an association of taxi drivers without direct TfL involvement other than the setting of fares, amendment of the Cab Order and the provision of guidance and assistance as may be required.

- 2.4 The purpose of the scheme is to provide additional opportunities for safer travel at night for late night travellers (particularly younger women). The scheme is intended to encourage taxi drivers to work later on the nights of operation and reduce the opportunities for illegal touting and the risks associated with this.
- 2.5 The scheme will operate from a Leicester Square rank which will be situated on the east side of the junction of Coventry Street, Swiss Court and Wardour Street. The rank will only be for the purposes of the fixed fare scheme and any drivers on the rank will be obliged to accept the fixed fares. Passengers not wishing to pay the fixed fare will need to hail a cab from another location and cannot ask drivers on this rank to accept a metered fare instead.
- 2.6 Marshals, who will initially be funded by the London Taxi Drivers Association, will be located at the rank during the hours of operation. Marshals will be provided with a map and supporting documentation to help identify the relevant zone for the customer's destination and specify the fixed fare applicable.
- 2.7 The fares are set to a single destination. It is envisaged that passengers requiring more than one destination will liaise with the driver before the journey starts to agree local arrangements such as the fixed fare to the first destination and then metered fares for any additional locations.
- 2.8 TfL consulted on the scheme in December 2009 and responses were generally supportive towards its introduction. At the time of consultation, zone boundaries and associated fares were proposed as follows:
- (a) Journeys up to 7 miles - £30;
  - (b) Journeys up to 10 miles - £40; and
  - (c) Journeys up to 12 miles - £50.
- 2.9 In response to the consultation, London TravelWatch proposed that an inner zone be included for shorter journeys within London. As a result of the comments received from London TravelWatch, TfL included the proposal for a zone covering journeys up to three miles with a proposed fare of £15.
- 2.10 The TfL Board agreed with the recommendations for the proposed zones, the setting of fares and the making of amendments to the London Cab Order.

### **3 REVISED FIXED FARE FOR THE INNER ZONE**

- 3.1 Following TfL Board approval, further discussions were held between TfL, the City of Westminster, taxi driver associations and the Heart of London to discuss the details of the scheme and to plan for its implementation. During this meeting, the taxi trade expressed concern that the fare of £15 for journeys up to three miles was too low and would be a barrier to taxi drivers participating in the scheme.
- 3.2 It is anticipated that a significant proportion of journeys will fall within this minimum fare zone, given that up to 50 per cent of late night journeys are under three miles. If drivers do not feel that these fares give them any benefit, then it is unlikely that they will find the scheme an incentive to work later hours. As the taxi trade has stated that it does not consider that the scheme can be launched without a revision to the minimum fare for the scheme, it is proposed to increase

the minimum fare for journeys of up to three miles to £20.

- 3.3 The scheme was not, therefore, implemented on 10 April 2010 as originally envisaged and amendments to the Cab Order to give effect to the Scheme have not been made.

#### **4 FUTURE AMENDMENTS TO THE SCHEME**

- 4.1 Should TfL Board approval be received, the scheme will be implemented as early as possible. It is anticipated that a pilot period of up to one month will commence in July/August 2010. Until implementation, it is impossible to determine how successful the scheme will be with drivers and passengers.
- 4.2 It is highly likely that a new scheme such as this will require minor amendments once it is operational to ensure an ongoing successful operation. It is difficult to anticipate what these amendments will be in any detail, however, they are likely to include the revision of the hours of operation, further amendments to the fixed fares or the inclusion or removal of one or more of the zones.
- 4.3 It is therefore proposed that the Board delegate to the Commissioner, or in his absence the Managing Director of Surface Transport, the making of London Cab Orders to amend the zone boundaries and fares covered by the Leicester Square scheme within the following parameters:
- (a) amendment of the hours of operation of the scheme between the hours of 10pm and 6am as appropriate, to provide additional safer travel at night options;
  - (b) amendment of the fares specified for each zone to increase or decrease the price to maintain the balance between value for money for passengers and a fair price for taxi drivers to encourage participation in the scheme; and
  - (c) amendment of one or more of the four zone boundaries to ensure the balance between value for money for passengers and a fair price for taxi drivers is maintained should the existing zone boundaries not be adequate for the fixed prices.
- 4.4 No such changes would be made without consulting the key stakeholders involved in devising and implementing the scheme and assessment of the impact on the value for money for passengers using the scheme.
- 4.5 Any delegated authority to the Commissioner, or in his absence the Managing Director of Surface Transport, by the TfL Board would be specifically to make amendments to fixed fare schemes only. Any fare changes affecting other taxi journeys, such as the annual tariff revision, will still require approval by the TfL Board.

#### **5 FUTURE SCHEMES**

- 5.1 Interest has been expressed by other key stakeholders for the implementation of new fixed fare schemes should the Leicester Square scheme prove successful. Specifically, AEG Europe Ltd would like to implement a fixed fare scheme from the O2 venue in Greenwich to be operational on key event dates should the other measures, which have been designed to reduce the impact of the Blackwall Tunnel closures, not prove successful. BAA is also keen to

explore the opportunities to implement a fixed fare scheme from Heathrow.

- 5.2 Any such additional scheme would need to be designed alongside the key stakeholders and consulted on with the appropriate interested parties, such as London TravelWatch and taxi driver associations, prior to approval by the TfL Board.

## **6 CRIME AND DISORDER**

- 6.1 The purpose of a fixed fare scheme is to improve the supply of taxis late at night and thus reduce the market for illegal cabs and illegal touting. The effectiveness of this depends on the incentive to drivers, and raising the minimum fare will encourage drivers to participate.

## **7 FINANCIAL**

- 7.1 Marshals for the Leicester Square scheme will initially be funded by the London Taxi Drivers Association during a trial period while the success of the scheme is being measured. Future funding is expected to be generated from a small surcharge on drivers using the rank.

## **8 RECOMMENDATION**

- 8.1 The Board is asked to:
- (a) APPROVE an increase to the Leicester Square fixed fare for journeys up to three miles from £15 to £20; and
  - (b) DELEGATE authority to the Commissioner, and in his absence the Managing Director, Surface Transport, to make changes to the Leicester Square fixed fare scheme as follows:
    - (i) Amendment of the hours of operation of the scheme between the hours of 10pm and 6am as appropriate to provide additional safer travel at night options;
    - (ii) Amendment of the fares specified for each zone to increase or decrease the price to maintain the balance between value for money for passengers and a fair price for taxi drivers to encourage participation in the scheme; and
    - (iii) Amendment of one or more of the four zone boundaries to ensure the balance between value for money for passengers and a fair price for taxi drivers is maintained should the existing zone boundaries not be adequate for the fixed prices.

## **9 CONTACT**

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