

# Taxi Fare Increase

This letter is based on the increase asked for by the hackney taxi trade serving the Fylde borough.

The trade has thought hard about the proposed increase, and to try and strike a happy medium for those that use taxis in the daytime and those that can afford to go out in the evening.

A true hackney waits at a taxi rank, completes his fare and then returns to the taxi rank usually empty in the Fylde.

A company car (Whiteside's/ Premier) sits anywhere, collects his fare, drops them off and would then wait in that area to get a return fare, and for this reason is why companies often advertise cheaper fares over a hackney because they have a bigger chance of a return fare.

I like to work the same rank, mainly Lytham, if I currently took two passengers from Lytham to the Grand hotel in St annes it would be £8.10 on the tariff 1 day rate, I then have to return to the rank empty, so 15-20 mins going, 15-20 mins returning, 30-40 mins, so £8.10 less fuel then you may have to sit another hour or more for another job, you have to ask yourself after removing just fuel outgoings is it really worth it? This is the reality of daytime work for a true Hackney.

The Fylde borough is not littered with volumes of people flagging us down as we pass, if we do a job to Wrea Green or anywhere, mostly we come back empty, it's not like Blackpool where you go to north shore and somebody then wants to flag you down to go somewhere else.

I know licensing usually compares Blackpool tariffs, but we do not have the footfall to gain return fares which would allow us to be more cost effective.

On our current waiting rate, let's say it was a winters day, going to Garstang, you get stuck on the m55 motorway, it would be cold, current waiting rate on the meter is £13 per hour, would you switch off the car to save fuel and let the customers go cold? Or would you leave the heat on? So £13 per hour less fuel what does a car use running for an hour? Is that a fair wage for a self employed person to earn?

Personally I have been a taxi driver in our lovely area for nearly 20 years, I am one of the rarer cabbies that have a wheelchair accessible hackney vehicle and it does sadden me that because of current costs it's not feasible to work on tariff one with it, given the cost of fuel its simply not paying enough to run it in the daytime.

So many things have risen in connection with running a taxi, parts and tyres have gone up about 20%, labour rates at decent garages £80 per hr + Vat (Volkservice), cost of buying used cars up 25%, every year IPT rates rise on our insurance policies, this increase is important to the hackney trade, and working with licensing it helps us to have better cars that are maintained properly, clean and presentable.

## Taxi fare increase / notes / breakdown

The increase the trade has asked for has mainly been a raise in the flag drops, 40p on tariffs one and two, and bringing forward the night time tariff 2 to 7pm and to adjust the waiting time to a more realistic figure. Please also note that no increase has been put forward for tariff 3.

No doubt Chris will have a report on the national average, his figures may well be a yearly national average but it would be impossible to correctly work it out exactly because some may have had an increase last year, some maybe 2 years ago and ourselves 4 years ago.

Chris will say it's coming in at 9.8% and is more than the national average, yet this average is only worked out on a 2 mile run as this is a 4 year review, its less than 2.5% per year, probably on a 5 mile run it would be around 5%.

Because of the high running costs and fuel, we have opted to ask for a flag drop rise instead of a distance rise, this is why the percentage is high, on a distance rise the percentages would be showing a lot lower.

We feel that by asking for a flag drop rise everybody helps pay for the increase costs, t1 would be a £3.10 start which in today's economy isn't that high a coffee at Starbucks costs more than that.

I would also like to point out that at present we are applying a 20p fuel surcharge to all jobs, so this increase we have asked for is actually only going to be a 20p rise from what the customers are currently paying (other than the tariff shifts) which will be a lot lower percentage if you account for that.

We are in crazy times fuel is massive and continues to rise, pundits say we will be at £1.70 per litre in no time, on our current rates where we have enjoyed fuel at just over a £1 a litre at the start of the pandemic to £1.57 at the moment, there is a point as to where it's a fine line to make the job pay and considering most employers are now paying £10 per hour plus holidays and pension, you are asking yourself is it feasible, and is on many occasions paying well less than minimum wage, and may well be the reason why so many have not returned? Please feel free to ask licensing how many vehicles they have lost since the start of the pandemic which have not returned?

Nobody wants travel to go up but other transport services get to choose their own rates, we obviously go through this process because there isn't anything put in place yearly?

This rise is important and we have asked this as a minimum, the flag drop rise is really the rise needed to cover the higher fuel costs and the other asks are where we see an increase in our wages, we would also like the committee to review the increase and if it feels we haven't asked for enough then please suggest a change in the distance also?

Thank you for reading this report.

Fylde Executive Cars/Kirkham Macs

From: John L Coombes

Sent: 04 March 2022 10:48

To: Chris Hambly <chris.hambly@fylde.gov.uk>

Cc: Operations Manager Mandy Coombes

Subject: RE: Application for an Increase in the level of Hackney Carriage Fares

Good Morning Chris

Thank you for the information below. As you will know the price of fuel at Heyhouses is now £1.58 per litre or £7.17 per gallon. The biggest problem that this industry has, when working out the fare rate below, is that the Minimum wage for the Driver is not considered?? From April we should be considering that a Driver should be able to earn at least £9.50 per hour throughout his/her shift. This is after car running costs. Therefore the target for hourly income needs to be in the region of £15.00 per hour.

The increase of 20p on the flag charge was just a token gesture and did nothing to address the average 20% increase in Insurance and maintenance costs for vehicles, regardless of the fuel increases.

The biggest challenge the Industry has here in Fylde is that the two largest Hackney Operators are pitched in a fight to the bottom to undercut each other on fares and tariffs and so some policy needs to be agreed that the "Flag" or the tariff change times had to be adhered too and cannot be moved for a Hackney Vehicle – this will mean that companies such as Whitesides and Premier will need to follow the Tariff Schedule.

I want to highlight that any considerations in relation to change prices MUST BE about Driver Earnings and not Taxi Operators. This industry in Fylde is at a critical point, certainly in Rural Fylde. We cannot attract drivers and are unable to expand our territory as the Council allows Operators to keep reducing their rates below the agreed tariffs – this is not competition, this is monopoly tactics. It is the driver and the quality of service that is suffering from the pricing war. I hasten to add – Operators are doing nothing to reduce their Rents to the Drivers, in fact raising them!

The Public has accepted that everything will rise by 20% plus as a result of the past two years and what is now happening in Ukraine. My worry is that this perfect storm is making it almost impossible to continue operating – there is too little profit.

Electric Cars are still very expensive, the ranges still not really enough for a company like FEC or Kirkham Macs – Plus there are no super-fast chargers outside of Lytham – where there are just two.

Whatever decision the Licensing Committee makes, it needs to ensure that it is for 2022 regardless of what happens with fuel. We have still to receive insurance quotes and to see the impact on tyres, servicing etc. The Licensing Committee also needs to seek an agreement between the Private Hackney owners and all Fylde Council Operators Licence holders that they will commit to the Schedule of Fares and Tariffs and not seek to use any proposed increase to undercut other Operators in Fylde. I would happily commit to that, but Whitesides and Premier???

I think an increase is needed as a matter of urgency. Would it be possible to find out what increases have been made to Train and Bus travel Fares in Fylde?? But these forms of Public Transport receive Government, County Council subsidies, which the taxi industry does not. They get paid for driving around empty. This would help with comparisons and justification to a certain extent.

My last point is that the fare surcharge should not be in 50 pence increments, but 25 pence. The next milestone of £2 per litre would see another additional cost of £1.25 per gallon to the driver. The last milestone of £1.50 gave a 20 pence flag rise per job. At an average of 6 jobs per hour this rise has not managed to cover the fuel rise, so drivers are still out of pocket.

I hope that this response offers my support, but helps identify that the Council needs to be more reactive, if it wishes to have a vibrant Taxi industry that is able to manage the demand across the Borough. As you know, the lack of Taxis can create isolation, restrict access to services for the most vulnerable in the Borough and also create a Public Safety issue in the Town Centres on busy weekend nights. Finally, the loss of night drivers, as a result of lower levels of earnings will have an adverse effect on the whole night time economy across the Borough, with residents unwilling to eat or drink out as it becomes harder to get a taxi home.

Kind Regards

John

John Coombes

Director

UKCS FEC Group

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Whitesides Taxis

Sent: 01 March 2022 08:13

To: Chris Hambly <chris.hambly@fylde.gov.uk>

Cc: Daniel ; Accounts

Subject: Application for an Increase in the level of Hackney Carriage Fares

Good morning Chris

Many thanks for your email.

The National Average Fare for a Tariff 1, 2 mile journey this month as reported by the Private Hire & Taxi Monthly magazine is now £6.06. Currently, we are on £4.15 1st Mile and £1.85 each subsequent mile, making our current fare £6.00. We are also permitted to add an additional 20p due to the price of Diesel at the moment.

The proposed changes would be £4.60 1st Mile and £1.90 each subsequent mile taking the T1, 2 mile journey to £6.50 – way above the national average and not within the maximum percentage increase in fares above which the authority would no generally consider for a tariff increase..

Tariff 2 – starting at 7pm Monday to Friday is a bad idea as far as we are concerned and we will not be implementing this change should this fare increase proposal go ahead. It will kill the night time trade DEAD for street cabs and those companies that implement it.

Am I correct in thinking that the current 20p extra for fuel surcharge will be absorbed into these new figures and £2 per litre be the new surcharge limit?

Whilst I have pointed out the above, only parts of the increase will be implemented by ourselves thus providing us with a very good competitive edge if the increase goes ahead!

An increase like this is very short sighted – thinking it will give the driver more income from fares but what it will really be doing is restricting those who can afford taxis and have the opposite effect.

Yours sincerely,

Stuart

Stuart Miller

Manager

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