



To Torbay Licensing Department 30<sup>th</sup> January 2022

Some of the Private Hire Companies have already increased their prices (*an option not available to Hackney carriage drivers without first preparing a case and seeking permission from the Torbay Licensing Department*). To address this issue, I was approached by many Hackneys to put forward a tariff rise on their behalf as the TLTA were not open to discussing this point or even allowing me as secretary to add it to the committee agenda despite being requested by some of their own members.

TULDA's original proposals back in November 2021 for a rise to tariff 1 and tariff 2 were very carefully calculated with due regard to all basic economic principles and cross referenced with the Halcrow Formula a widely recognized methodology formula used by some local authorities to check tariff rises. This takes into account:

- Vehicle Costs (inc. Vehicle Excise Duty);
- Parts;
- Tyres;
- Insurance;
- Servicing costs;
- Fuel;
- Licence fees; and
- Average Earnings (inc NI).

The exceptional high cost of electric vehicles was not fully included in our use of the Halcrow Formula as the running costs of an electric vehicle would also alter other economic considerations like ongoing fuel costs licensing fees etc. The majority of Torbay hackneys are not currently fully electric so we used standard average running costs for the equation. We did however increase vehicle replacement to reflect higher market prices as this trend is likely to continue due to the national move to electric vehicles.

In addition, to the factors above the current economic climate, inflation rate and the consumer price index were also taken into consideration. Figures below we captured on 24<sup>th</sup> January 2022 this confirms the earlier forecast remains valid.

*(The BoE has forecast inflation to reach in excess of 5% while chancellor Rishi Sunak expects inflation to remain **above 4%** during 2022. The inflation rate recorded for December 2021 was driven by the increasing costs of food, non-alcoholic drinks, fuel and energy, after the energy price cap hike.*

*The Consumer Price Index (CPI) shows that the cost of living has risen for a fifth month in a row to 5.4% - its highest levels since March 1992.*

We also consulted with **Cab Serve (01803 607611)** and the agent who works out tariff rises on their behalf and compared the proposals against recent private hire price increases and neighbouring hackney tariffs to ensure our proposals were competitive.



Finally, we considered the general public who are our customer base while the taxi industry was exceptionally impacted by COVID restrictions they are also experiencing financial pressures with escalating domestic fuel prices and inflation etc so we have to be mindful of the impact too high a rise will have on them. Supply and demand market forces dictates customers after some resistance will still have to use taxis but they will object if we raise fares too steeply in one leap. That is why we would like to ask for an automatic annual tariff review with licensing and major stakeholders to avoid the need for extreme rises in the future. Some especially the seasoned experienced hackneys are aware that this is an important factor to consider. This is also acknowledged by the Halcrow Formula I quote;

*“Local authorities have a duty to balance a hackney carriage proprietors need to make a financially viable profit that allows them to provide for their dependants after covering expenses including maintaining vehicles to required fleet standards, but does not deter the public use of hackney carriages due to cost of fares.”*

Since the original objection by TLTA based on a genuine mistake by licensing in difficult working conditions due to staff shortages and Covid measures some drivers have been encouraged to ignore economic principles and give less regard to the impact on the public and push for a 10% or above price rise. A complete turnaround from the reasons put forward as to why there should be NO rise when the TLTA believed they were the only group able to ask for a rise.

Steve Cox asked us to meet and work out a compromise therefore TULDA put Option 3 which is a fair compromise between both TULDA and TLTA on the table to keep it on target for the January Licensing Committee meeting. Despite it being slightly higher than our original preferred option this compromise was rejected by TLTA. Since then, to reflect the changing opinions of as many drivers as possible this compromise option has been refined. Unfortunately, there is a lot of misconception over the recent private hire rate increases. I have compared the actual private hire rates and they are NOT as high as people are claiming these figures were taken into account when we calculated our proposals. One driver was claiming 211611 prices were £5.00 higher for a 2.5-mile journey. They have increased their prices but this sort of fallacy is fuelling the drive for a 10% increase on Tariff 1.

After further consultation in January 2022 with as many Hackney drivers as possible as on various social media platforms in two open public meetings and by personally talking to drivers on ranks in all 3 towns option 2 and the compromise option 3 were very popular.



The things EVERYONE who responded to consultation agreed on was:

- not to return to odd pennies on the fare as this can easily be done by adjusting the yardage as 211611 have just done.
- Raise the fares on Tariff 2 to give drivers an incentive to work late shift
- Increase the waiting time component by reducing the seconds per 15p and 20p for tariff 1 and 2. This has not been adjusted for a considerable time.
- Need for an automatic annual review with input from major stakeholders. This would reassure drivers of long-term sustainability while avoiding excessive increases for the public.

Adding a surcharge had a mixed reaction of fairly equal proportions although proposed by the TLTA we have no strong objections to this element. However, it should be via a tariff 3 as in many other authorities for transparency as it makes monitoring and regulating this much easier and less confrontational for the driver and the public as the fixed pull off is clearly stated on the Tariff sign that should be prominently displayed in each vehicle.

During the extended consultation process the waiting time was an idea proposed by a TULDA member in a social media discussion it was a previously overlooked factor. Some drivers admitted to sometimes swapping to Tariff 2 mid job while waiting in order to push the fare up as they feel the waiting on Tariff 1 is too low. This behaviour is NOT acceptable as it is a disregard of licensing regulations.

A rise will help to prevent this type of behaviour thereby safeguarding the more vulnerable public from financial manipulation of fares.

It has come to our attention that as there is no bylaw to govern Hackney meters be updated as tariff changes occur there is quite a wide variability across the bay. As the government are looking to create a flatter playing field in the taxi industry perhaps this is an issue that should be considered by the authority as it can cause confusion for the public when comparing prices, they are charged for a regular job. It also makes monitoring any deliberate or unintentional manipulation much easier for the licensing department. TULDA and the NPHTA are keen to promote a professional best practice approach as this ultimately helps to reduce risk to drivers and passengers.

Nationally 18 other Local Authorities have already increased fares in 2021. Many citing they hope higher fares will help to address the national licensed driver shortages by



making it financially more attractive to remain or enter the trade. While the national living wage has recently been increased the hackney driver has seen their profits drop.

Just the escalating cost of fuel, garage bills, spare parts and commercial insurances has had a monumental impact on a driver's financial viability consequently forcing some to seek alternative employment. It is important that this trend to leave the industry is addressed. In addition to increasing running costs drivers will also need to invest more capital when replacing their current vehicles over the next decade as diesel and petrol vehicles are phased out in order to achieve the government's ambition to achieve zero emission by 2030.

Nationally it is commonly believed the unprecedented shortage of licensed drivers especially at night is putting the public at risk.

There is a strong argument for offering a financial incentive to motivate drivers to structure their working shifts to include some of these hours, as being self-employed they are profit driven. There is a much higher risk of aggression to drivers or damage and soiling of vehicles late at night, as far more passengers have probably consumed a degree of alcohol which can lead to reduced inhibitions and challenging behaviours. By the end of an evening drinking and socialising, less people are respecting social distancing or other COVID precautions like using masks.

Some Drivers are still a little reluctant to put themselves in this situation.

It is widely agreed locally and nationally a rise is needed in the majority of cases specially to Tariff 2 to encourage drivers to work the late shift. This tariff also tends to impact most on those going out for leisure purposes who can budget for the fare better than some of the less affluent going about their essential daily lives. We are aware that many of the vulnerable or economically struggling rely on taxis to attend appointments, get to work or go shopping etc during the day.

TULDA directors and members have engaged in many discussions with the wider trade across a variety of social media platforms and in open members and by visiting the ranks across all 3 towns to talk to individuals in person. We try to ensure we can accurately put forward as collective a representation on behalf of the Taxi Industry in Torbay as possible. We are newly formed but membership is growing on a daily basis. Our members join of their own free will. Torbay Cab Co (292 292) Drivers are forced to pay for membership to the TLTA many resent this and a significant amount of TLTA members have chosen to also join TULDA.



**TULDA**  
TORBAY UNITED LICENSED DRIVERS ASSOCIATION



All TULDA member meetings are open to anyone working in the taxi industry as we are transparent and everyone is welcome to see how we operate and what issues we are currently working on. However, on some issues only members can vote or take advantage of member discounts. In fact, the TLTA photographed me doing so on the Haldon rank and were very about my disparaging motives. I have been subjected to some very derogatory, at times of a sexual nature, personal comments from certain TLTA committee members. This type of behaviour is not becoming of a trade body as such we should set an example of good practice and professionalism at all times. TULDA members are reminded we are supportive of each other and not to provoke negative comments.

Everyone should be working for the good of the Taxi Industry not engaging in petty rivalry. Tulda has members from across all sectors Hackney, Private Hire, Preferred Contract Providers and Airport /Ferry transfers. In fact, 4 out of 6 of our committee are in fact working Hackney Drivers. We do not have a Chair because the best person suited to the occasion will be nominated for each meeting. Our legal governance is over seen by the directors with the committee attending to action points as identified and directed by our members.

We believe every one's opinion is as important as the next only legitimate expenses agreed in advance can be claimed by an individual on presentation of a valid receipt.

We are registered as a not-for-profit social enterprise company limited by guarantee (company number 13712269) we are registered for corporation tax and our accounts are handled by [REDACTED] from Eazitax Group.

TULDA strongly believes as a trade body we should set a good example and value all sectors of the industry as Licensed Drivers we should all unite to promote a first-class service across the Bay which will help to raise standards and promote public confidence in our service.

We hope you will look favourably at the following options and put forward the tariff rise you feel is most appropriate on behalf of the hackney drivers at the next meeting of the Licensing Committee. If you require further input or clarification on any of our points, please contact me:

**Mobile:** [REDACTED]

**Email:** [REDACTED]

Yours faithfully Jacqui Nickels





## Proposed Tariff rise for Torbay Hackney vehicle carriage November 2021 on behalf of independent drivers.

### Torbay (CURRENT TARIFF)

1st mile 4.80  
2nd mile 6.75  
3rd mile 8.70  
4th mile 10.65  
5th mile 12.60

*This works out as £1.95.5 a mile thereafter*

Hackney Tariff Waiting time is 15p per 40 seconds.

### OPTION 1 (*Adding 30p on the face value plus 30p mile thereafter*)

1st mile 5.10  
2nd mile 7.35  
3rd mile 9.60  
4th mile 11.85  
5th mile 14.10

*This works out as £2.25 a mile thereafter in 15p clicks*

Hackney Tariff Waiting time increased to 15p per 30 seconds

### OPTION 2 (*originally preferred by TULDA members and others*)

gives Drivers a slightly better return per mile but still affordable for the general public.

No change to the face value but cutting the yards to 450 & 130

1st mile 4.95  
2nd mile 6.90  
3rd mile 9.00  
4th mile 10.95  
5th mile 13.05

This works out as £2.05 a mile thereafter Hackney

Tariff Waiting time increased to 15p per 30 seconds



**OPTION 3 (now preferred by a large percentage of TULDA members and others)**

gives Drivers a slightly better return per mile but still affordable for the general public.

20 p increase to the face value and cutting the yards to 450 & 130

Pull Off £3.50

1st mile £5.15

2nd mile 7.10

3rd mile 9.20

4th mile 11.15

5th mile 13.25

This works out as £2.05 a mile thereafter in 15p clicks

Hackney Tariff Waiting time increased to 15p per 30 seconds

**Change to Tariff 2 rate.**

<b>TULDA - Tariff 2 Proposal (450 Yards &amp; then 128yard @20p) Waiting time increased to 20p per 30 seconds</b>						
	Pull Off	1st Mile	2nd Mile	3rd Mile	4th Mile	5th Mile
Tariff 2	£3.60	£5.51	£8.11	£10.71	£13.31	£15.91
Proposed	£4.00	£6.05	£8.80	£11.55	£14.30	£17.05
Difference	£0.40	£0.54	£0.69	£0.84	£0.99	£1.14

Drivers now prefer to request a rise of 40p to the pull off on Tariff 2. (Rather than the 30p increase put forward in Nov 22) However in addition we want to cutting the yards as in Option for tariff 1 above. This increases the fare in 5's or 10's the extensive canvassing of drivers highlighted they were all adamant they did not want odd pence. This is more difficult when recording their income for HMRC and it is inconvenient to have to carry copper change which drivers would be duty bound to do or reduce fares which is counterproductive to asking for a rise. It was felt this would be an adequate rise by our members as it gives them a significant increase over Tariff 1 over the smaller distances as the 40p to pull off is an incentive.

This would make the pull off for Tariff 2 a similar value to Teignbridge Hackneys and similar to rates set in many other authorities. This reasonable financial incentive may help alleviate the unprecedented current issue to increase drivers willing to cover unsociable hours.