

JUSTIFICATION

Appendix 3b

Taxi Industry Issues in 2022

Vehicle Insurance costs have increased from 10% to 25%. This link gives details.

<https://www.patonsinsurance.co.uk/2022/10/13/have-taxi-insurance-premiums-gone-up/>

Vehicle maintenance costs have risen significantly. Parts are difficult to source and have risen in cost by 20% to 90%.

This is a link

<https://www.theguardian.com/business/2022/oct/19/uk-motorists-count-the-cost-amid-big-rise-in-cost-of-car-parts-repairs-and-servicing>

The used car market has substantially increased in price. A 10-year-old Black Taxi 12 months ago could be bought for approximately £3000. Now the prices are around £7000 to £12000. Mileage dependent.

Fuel costs are unstable and have been as high as £1.99 a litre in Blackpool. They are dropping at the moment but still at prices of approximately £1.75 a litre.

All the above is mainly down to a small number of factors that are not going to change for at least 12 to 18 months:

The war in Ukraine. Not ending anytime soon.

Two years of covid lockdowns have created a global supply chain issue.

The Oil & Gas industry is trying to recoup the Billions they lost during the lockdowns and maintaining inflated prices. Utility bills have and continue to rise to prices never seen before in our lifetime.

Disability Access: Blackpool has a unique advantage within the local region, as there are more than 100 wheelchair-accessible Taxis that are expensive to operate. In this respect we are the envy of the Fylde. Every day the trade transports tens/hundreds of wheelchair-bound passengers and disabled people. The current financial pressures will affect the trade's excellent capacity for the disabled community without a fare increase. It costs £615 per annum Road Tax for these vehicles and some owners are saying they cannot afford these vehicles without a fare increase.

Request: With the above in mind, BLTOA is seeking the Council PPC agreement on a taxi fare increase to mitigate the financial pressures on the trade. There is widespread support for this from the local taxi trade.

Brighton Formula

In the past we used to provide a complex set of figures known as the 'Brighton Formula', this being justification based on average earnings, the AA cost of motoring and the cost of insurance. However, the National Private Hire and Taxi Association (of which BLTOA are members) informs us that this method is out of date and is no longer used. However, the NPHTA are still making comparisons of taxi 'league tables' and this shows that currently Blackpool shared a position based on a 2 mile T1 journey position 271/294 (arranged alphabetically) out of 355 local authorities. If this increase is approved a 2 mile T1 journey will increase to £6.60 and we will move up to a 'mid-table' position of 191/207. Eleven or twelve years ago, we were in position 55 of this table.

<https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>

THIS IS OUR REQUEST

Times

We wish to amend the times when T2 operates on Monday to Friday please. T2 from 20.00, instead of the current time of 21.00. We are aware that at least one Blackpool Taxi Company charges T2 from 17.00.

T3 from to remain unchanged, beginning at midnight.

Fuel Surcharge

We wish to retain this at the currently agreed level. It is hoped that fuel prices will continue going down and as such, hopefully there will be no need to charge this. But we would like to see this incorporated onto the fare plate. This has been done in the past.

Cycles

We think that cycles carried in taxis should be £0.90 extra. The larger taxis are sometimes asked to transport these. We think 90p is fair when you consider these take up most of the back of the taxi.

Soiling charge

To be increased from £40 to £50. Please note this is very modest when compared to other local authorities. Fylde and Wyre charge £60. The soiling charge of £40 has not been raised for many years.

Waiting Time

Request a change from 20p every 35 seconds to every 30 seconds for T1. This will bring T1 waiting time into line with T2, T3 and T4.

Christmas and New Year

To bring our charges more into line with Blackpool companies we wish to revert back to T4 being in place from 22.00 on 24 December until 06.00 on 27 December. Also, from 22.00 on 31 December until 06.00 on 2 January. Minimum fare on 27 December to 29 December to be T2.

Fylde and Wyre

It has been noted that Fylde and Wyre have recently achieved taxi fare increases. Their meter fares start at £3.10 and extras are 40p. We have no wish to match this, because we want to remain competitive.

As you will see our request is for an overall 9.98% increase on T1 and for smaller percentage increases on T2 and T3. Overall, the increase averages out at 8.86%, which is of course below the national inflation rate. If you were to calculate Blackpool taxi fare increases over a 10-year period and then divide by 10, the average percentage increase is very low indeed.

We believe these measures will help to assist the shortage of drivers. For some time now there have been complaints that there are insufficient drivers, especially late at night and in the early hours of the morning.

We very much hope that the Council can support this and encourage the PPC to vote in favour of it. BTS have of course raised their bus fares.

BLTOA would be willing to attend the relevant PPC Meeting if required. The view from the Council in the past used to be that taxi drivers are self-employed; we know our business and if we increase taxi fares by an excessive amount, we will price ourselves out of the market. We commend this increase to you and we hope that we will have your support.

Regards

Bill Lewtas

Secretary Blackpool Licensed Taxi Operators Association

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