



2<sup>nd</sup> March 2011

## **Report to Licensing and Safety Committee**

Proposal to increase Hackney Carriage fares within the Borough of Bracknell.

### ***Background Information***

Dear members of the committee

As you will be aware the last fare increase implemented within BFC was in July 2008. If you can cast your minds back to that period the country was in the grip of temporary spiraling fuel prices and by late spring diesel was retailing at around £1.30ltr. The council threw the trade a much needed lifeline and increased fares. This equated to about £0.40p on a £5 - £6.00 fare which would probably be an average fare from the ranks.

### ***Current Situation***

Fuel is currently retailing between £1.32.9 and £1.36.9 per litre, slightly higher than the peak in 2008. Analysts are predicting prices could be as high as £1.50 per litre by April and with the instability now being experienced in North Africa prices could go even higher. Insurance premiums have also dramatically increased. Apparently this is mainly due to fraudulent claims. Members have experienced a sharp increase this year and some have reported a rise of 20% plus, which on a standard taxi policy is a substantial increase. Our members are also struggling due to the current economic climate. We have seen a rise in VAT from 17.5% to 20%. This would obviously increase maintenance costs but more significantly will affect the cost of a new replacement vehicle.

The country is also experiencing high inflation currently running at 4% well above Government targets. This is mainly due to high oil and food prices which are apparently running at 4.6%, and the steep increase in utility bills is crippling workers on middle to low incomes. Taking all this into account our members are significantly worse off now than they were in 2008.

We are working in what we believe are now the most challenging conditions ever experienced by BFC Hackney Carriage trade.

The proposal we have put forward would add around £0.40p to a standard £5-6.00 fare and would have minimal impact on residents needing to access essential local services and facilities. The structure of our proposal would mean an accumulating effect on our longer distance journeys. This is important as drivers can ill afford the dead mileage and time taken to get back to the ranks due to the very congested road network. In our experience a large majority of demand for journeys outside of the Borough i.e. Heathrow / Reading lies within the business fraternity.

A customer travelling from Heathrow to Bracknell in a black London cab would be charged £90.00. The price for them to go back in a licensed Bracknell hackney carriage is around £30.00. We understand that the trade has to stay competitive but if we are to maintain the high standards expected from the council, consumers and residents alike we feel these low prices are unsustainable in the current climate. We have roughly calculated that the new fare increase would add about £5-6.00 on a job to Heathrow Airport and we feel that this would be more than reasonable.

We are proposing that *waiting time* be increased to £18.00 per hour. The waiting time has barely changed in the last decade – working out at just over £12.00 per hour. This may seem to someone with no knowledge of the trade a good hourly rate. But for a self-employed driver who has to take all his operating costs out would be left with barely the minimum wage. We would also like to remind the committee that unlike council employees we do not enjoy the luxury of paid sick pay, several weeks of paid holiday and lavish pension schemes.

We hope the committee will take all these factors into consideration when making your final decision. The trade does understand that in these times of austerity any fare increase should be kept to the minimum. We feel our proposal is reasonable and is essential to enable our members to carry on delivering the high quality service expected from them. We would also like to point out that our members work very long hours which can be up to 90 hours per week for a very modest income and can not afford a further decline in their standard of living. As GMB members we believe in a fair days pay for a fair day's work.

*Mick Hildreth – Branch Secretary GMB PDB*

*John Yexley – Chairman GMB PDB Bracknell Section*

*Andrew Watson – Secretary GMB PDB Bracknell Section*

*Steve Lapworth – Vice Chairman GMB PDB Bracknell Section*