

### **Subject:** Taxi Drivers concerns

Following a meeting of the Licensing and enforcement committee on the 20<sup>th</sup> of July I recently met with the proprietor and employees of a local East Devon Taxi firm, who expressed grave concerns as to the short to medium term viability of their business. I am reasonably certain is a view shared by most, if not all of the other members of the East Devon Taxi Association (formerly the Exmouth Taxi Association).

The current situation for many companies and owner/drivers is now close to a 'tipping' point, where it will be unaffordable to operate, and licensed HC vehicles will either be taken off the road or in the worst cases businesses ceasing to operate altogether. It is not simply a case of taking cars off the road at off peak or quiet times of the day/week to reduce running costs, as the ongoing fixed overhead costs of operating vehicles (other than fuel) remains, whether vehicles are running with fare paying passengers or not, which actually exacerbates the problem.

The reasons for this situation being amplified significantly are well documented, and largely due to inflationary pressures across the board, since it was agreed to increase the first 880 yard rate from that agreed on September 3<sup>rd</sup> 2020 at £3.50 to £3.85 which has been helpful for very short fare trips.

What did not rise in April 2022, by the same proportionate amount of 10% was the tariff after the first half of a mile, which appears to have remained at the 2020 level of 30p per 1/7 of mile, where the cost of fuel and other ongoing costs does not drop after the first mile and where very often, but not exclusively, longer rural trips are undertaken. Taxis can literally be a lifeline for some residents with no access to transport, whether public or private, who would be further socially connected if taxis ceased to operate trips to their location.

The charges effective April 2022 show the first half mile as £3.85, and the first whole mile as £5.05, with no subsequent tariff for each 1/7 of a mile as is the case with the 2020 version. It also shows that for each mile there after the charge is £2.10, but does not make it clear if this is a whole mile or part thereof.

I appreciate that the decision to defer a more recent request by the East Devon Taxi Association for a 15% 'across the board increase in tariff has been deferred to the next meeting of the committee, in November 2022, in order to get further information and consultation, but given the gap between now and then, (with any agreed tariff needing to be advertised) this could well be the straw that breaks the camel's back for some.

I would therefore request consideration of an additional meeting prior to the next scheduled one, to consider the request for a further increase to the tariffs, i.e. 1, 2 and 3, together with an annual review of the maximum published tariff (I understand that charging less than the meter rate at the discretion of the licensed operator is not an issue, charging more of course is not permitted).

### **Background information**

For context in terms of running the taxi company I met with, they are happy for me to share a snapshot of their operating costs below, where the owner due to rising costs

## Appendix E

has not taken a wage out of the business himself for the last three months to ensure the staff are paid, which is clearly not sustainable over a prolonged period of time and the business to continue operating. It has reached a point where like others additional debt is being taken on by way of overdraft and loan to ensure that vehicles are maintained to the proper level.

Staff members know the overall situation, which is also having an adverse impact on mental health and wellbeing, with some starting to seek help.

'Break even' point is £1.50 per mile travelled per vehicle, this includes 'dead' mileage between fares where no money comes in to the fare box, and below is a table of costs summary, showing increases for running a single vehicle in the last four years.

(Green is within the 10% increase, yellow within the original 15% increase proposed by East Devon Taxi Association recently, and red is above the 15% proposed increase.)

	2018	2022	% Difference
Wages £/hr	7.83	9.50	+ 21
	We pay to retain drivers	10.00	+ 27
Fuel £/L	1.259	1.829	+ 45
Road Tax	145	165	+ 13
Insurance	4787.35	6122.70	+ 27
Maintenance			
Tyres	60	86/100	+ 43 / + 66
Valves	3.01	3.10	+ 2
Balance	4.50	4.50	No change
Environmental	1.24/6.26	5.95/12.66	+ 379 / + 102
Garage Labour	45	51	+ 13
Sump Plug	2.77	4.10	+ 48
Oil filter	8.56	11.18	+ 30
Fuel filter	30.07	32.00	+ 6
Air filter	19.42	19.54	+ 0.6
Cabin odour filter	18.11	27.28	+ 50
Oil £/L	1.80	2.56	+ 42
Brake pads	48.15	49.05	+ 1.8
MOT/taxi test	46.00	54.85	+ 19
Tracking	33.33	33.33	No change
Puncture repair	24.00	36.00	+ 50