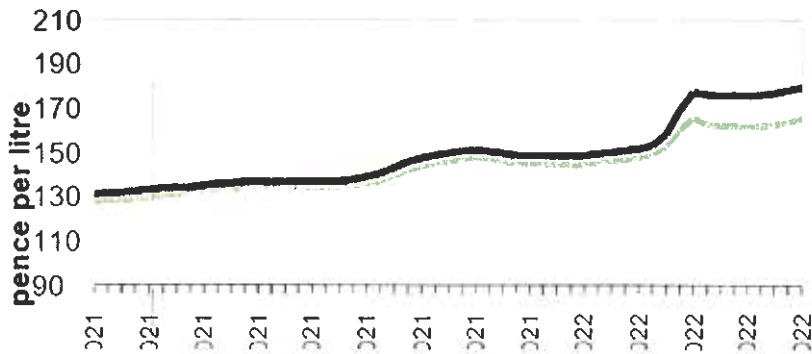


Dear Licensing,

Following the opposition to the tariff adjustment, and the subsequent scheduled meeting I feel it is important to note the following.

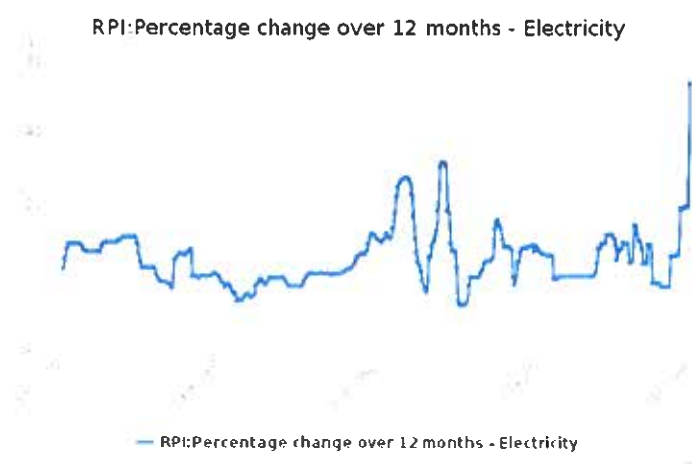
❖ Fuel Prices



Since requesting a tariff adjustment in November 2021 diesel has risen from £1.49 to £1.79 per litre. Average UK price and above chart from UK Govt ONS data.

The trend does not appear to be slowing, with many predictions of £2 per litre being reported.

❖ Electric Prices



With huge increases in electricity costs drivers who have already made the change to greener vehicles are feeling even more of a pinch! Bigger increases are predicted before the end of the year too.

It has been reported this week that public charging points, the most expensive way to charge, have increased costs of over 21% in the last 8 months.

❖ Vehicle Purchases & Maintenance.

With the removal of several government grants new vehicles are coming at a higher cost to drivers. With the new MG5 EV at over £30k, compared to just £24k 6 months ago.

New Diesel vehicles can have a VED in excess of £2000

<https://www.gov.uk/vehicle-tax-rate-tables>

PHEV minibuses are circa £500 a year to get Road tax, due to the high initial purchase price.

Wheelchair Accessible Vehicles are nearly 50k for a Nissan Dynamo (as per trial vehicles DCC currently have) and £70k or more for an LEVC

Garage wages for employees has increased with national minimum wage and NI increase. As such maintenance hourly rate has increased. Those with newer vehicles using main dealer repairs and diagnostics are hit at a higher level with these costs.

Tyres, brakes, fluids have risen by as much as 40%

Drivers cannot afford to buy new, and green, and so the local fleet will only get older, and worse for the environment.

❖ Driver unavailability

There is a national shortage of drivers, reported frequently across the national press.

As a low paid income it is impossible to get new drivers to start.

Drivers do not want to be paid low amounts to ferry drunk passengers locally.

Drivers do not want to work Sundays for low money, most supermarkets have enhancements for Sunday working.

Drivers do not want to work late into the night, or early morning for little reward.

❖ PHTM 2 mile Ranking

Denbighshire is now ranked at 268, a drop of 4 places since this process started.

We are still the second lowest fare in the region.

The national average 2 mile fare is £6.24, we are currently £5.60.

❖ Anecdotal objections with no evidence base.

People saying 'it'll kill the trade' have no evidence to support this. Answer - Conwy has increased prices and has seen no dramatic decrease in taxi usage (at least none in the press) It'll cost £30 - £40 from the plough to Abergele at 11pm. Answer - No, it won't.

There are enough drivers. Answer - Anyone who has tried to book a taxi on a weekend will understand this isn't the case.

People can just work an hour longer to make up the difference. This isn't the answer to an already overworked service. Tired drivers aren't something we need!

It is understood there are objections to this application from several operators. But please remember you are setting a maximum allowable amount. Those operators who wish to charge less can. It is understood too that some operators who have objected to the increase were also the same operators who asked for an extension to the vehicle age policy of the council; this shows that these same operators cannot (or don't want to) afford new environmentally friendly vehicles. Keeping older vehicles in circulation is detrimental to the health of all public using the vehicles, but especially to the children being picked up in said vehicles on school runs, and other children at the schools where these vehicles drop off / pick up. A fair price so people can invest in greener technology should surely be at the forefront of the council's decision making.

❖ Additionally

- Nationally taxi rates are increasing, for example:-
- Vale of Glamorgan 16% increase, John Lewis, branch secretary of Vale Taxis Unite, said: "Fuel prices and other costs have recently gone through the roof, and we are also struggling to get new drivers into the sector.
- "I believe that an increase would help keep existing drivers afloat, and possibly encourage new blood." (same reasons we have supplied)
- Lancaster 14% along with a commitment to an annual review of the tariff by way of application of retail price index (RPI)
- Some areas of the country are looking at the second increase this year!
- **There has been no evidence to prove that a rate increase would be detrimental to the trade in any press nationally.**
- If local authorities, the travelling public and those working in the taxi sector want a modern fleet with fairly paid drivers then the answer is quite simply yes a rate increase is required, this is not a pay rise this is an adjustment with the cost of living.
- In 2018 national minimum wage was £7.83 per hour it is now £9.50 per hour. This along with increases in NI contributions is a huge uplift to employers.
- The Welsh Government will soon bring in a 20mph speed limit on 30mph roads, this will increase journey times by 30%, this will in turn reduce the number of miles a driver can complete per hour of working. As such drivers will see a real term decrease in money.
- Inflation alone should dictate the increase, but throw in the need to invest in greener vehicles and the need to cover lost revenue caused by the pandemic, the fare prices can realistically only go one way.

We also fear that if this rate increase is not approved now then the next rate increase will be much higher than currently requested, living costs have greatly increased since the original request was made 7 months ago.

One last point. Following the email from Sara Palmer to operators this week, about the state of some vehicles being used on school contracts, you have to wonder if this lack of maintenance is due to some people being unable to afford basic repairs. Whilst it is unacceptable for any vehicle to fall below the standards required, and even worse to be found to be dangerous, is this indicative of drivers / operators not being able to carry out the required repairs due to increased costs.

I hope that the adjustment to tariff will pass, it is not a pay rise as some people put it, merely a break even point given the current cost of living crisis.

Regards,

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Regards

Driving Driver and badge number

Price changes between 2018-2022

The following price changes are for a vehicle doing an average 50k miles a year.
It was calculated for a skoda octavia which is one of the most popular taxi car nowadays.

<u>Item</u>	<u>2018</u>	<u>2021-2022</u>	<u>Increase</u>
Road tax	£120	£130	8%
Small service	£126	£148.80	18%
Full service	£198	£258	30%
Davanti mid range tyre	£48	£103	114%
Mechanic's hourly rate	£48	£60	25%
Diesel liter price	£1.25	£1.85	48%
for 50k miles an average 44mpg needed 5350l diesel for the whole year	£6,420	£9,898	
Tyres counted for 10k miles a piece 20 piece a year+2 extra for damages	£1,056	£2,266	
2.5 service a year			
1.25 small service	£157.50	£186	
1.25 large service	£247.90	£322.90	
Purchase price of a scoda octavia scout 10k miles 1 year old	£16,600	£26,000	56%
With a 350k miles lifetime (7years) depreciation for a year (cost/ year)	£2,371.42	£3,714.29	
average repair cost approximately	£2,000	£2,500	
Insurance/year (without bonuses)	£1,100	£1,500	
Approx total running cost for a year	£13,292.82	£20,516.19	54%

Difference: £7,223.37

To DCC Taxi Licensing

Following the newsletter that the proposed taxi meter tariff change will be reconsidered due to some objections received. We at [REDACTED] Taxis support the idea of the proposed meter price increase by DCC. The reasons of the support are the followings:

- The last change in the taxi meter prices was a while ago (2018) to update the rate which was in place for about 10 years. Since the cost of our overheads have risen, especially the past two years due to some huge events in the world such as COVID and the ongoing war between Russia and Ukraine, causing supply shortages.
- At the last change the tariff rates, the fuel price was approximately between £1.10 - £1.35. The current average is about £1.85 (33-68% increase) per litre and it has a high possibility to soar even more, due to the lack of oil supply.
- Also due to supply shortages, there are now lot less new cars were manufactured. So both the new and second hand cars cost are significantly more than they were cost pre COVID. Also the lower profit ratio we experience now, does affect the company's fleet's quality and age. This delays the transition to more eco-friendly (electric) vehicles as they cost even more than the vehicles with combustion engines. For example a new price of a Skoda Octavia approximately £30k while a Hyundai Ionic 5 £46k.
- For companies who have employees, they have had to raise their salaries as the national minimum wage has gone up (in 2018 it was £7.83/ 2022 £9.50 for an hour. That is approx. 21% increase), also there are lot more job opportunities with more competitive wages elsewhere (as there are a general shortage on labour in the whole country) which they have to compete with. If they don't want to lose their staff members. The taxi fares also has to cover the salaries of all background staff who work in the offices and answering the phones (as most drivers pay for radio services) or if it is the driver itself, it has to cover for the work hours as well which spent on the above activities. As an example there are 4 drivers at our company, it takes an average 8 hours for one person to deal with bookings and other paperwork. At least 6 days a week, that is 48hours of work which has to be covered from the money the drivers earn.
- Cost of car parts, tyres, office equipment, mobile phones and labour cost such as mechanics has risen by approx. 20-40%, due to supplier shortages again and increased shipping prices.
- On the nation rate table of fares Denbighshire has fallen 4 places, so currently 268th while Gwynedd 196th, Conwy 192nd and Chester is 79th.
- We would like to point it out that this balance of the rates would not be a pay rise. This increase would just move our profit ratio back to the pre COVID levels balancing the current inflation that we all experiencing.

-
- We understand that not every driver supports the idea of the proposed tariff rates, but we would like to point out that this is the maximum fare the drivers can charge. If any of them decides not to charge the full fare, they are entitled to give discounts to their customers (with our regular customers we all do it to a degree). Even though we all trade in the same county the business structures can vary between the different companies. Which means that the current events effect these companies and drivers differently, some more some less. Our industry was one of the worst affected trades in COVID times. Many drivers was forced to stop trading and left the industry to balance the fares and have the same profit ratio as before this would help the trade recover faster.
 - On new 8 seater minibuses (or any diesel cars) the Road tax has more than doubled now because of their cost is above a certain price limit when they are brand new.
 - As an example how much more a taxi would cost now. We bought a Skoda Octavia Scout 2l diesel in 2018, it cost us £16600. It was 1 year old and 10k miles on the clock. If you want to buy the same, now it is in the range of £26-27k. We bought an 8 seater Mercedes Vito in 2019 for £24k. It was 1 years old and 17k miles on the clock. We bought another one, almost the same, it was 1 years old but it only had 1k miles on the clock. That vehicle costed us £11000 more! Also there was no choice of what specs we want. The company we asked contacted us when they had one in, and if we wanted a new minibus we had to take what they had offered, regardless of what colour or engine size or anything the vehicle had.
 - Next thing almost doubled in price is Adblue. We don't use an awful lot of it but still something what older cars did not have, this is an extra cost with the new cars.
 - I have provided on a separate sheet, a calculation of running cost for one of my vehicles. It shows the price differences between 2018-2022. It was calculated if the car would run 50k miles in one year. I believe that is somewhat an average for taxis. The difference is £7223.37 (+/- £500). So this is the cost of how much more we will have to pay to run 1 car. This is a middle range car, not a minibus or an executive vehicle which has a lot higher purchase cost.
 - I like to point out that the 1car / 1 driver ratio only applicable for sole traders. At our company we have 6 vehicles (2 MPV and 4 cars) for 4 drivers, which again an extra 50% cost per driver. We must have more as if we were to brake down we need another to cover our school and other contracts.

I hope that you find my points above reasonable. Hopefully these make you understand the problems we face right now.

Please find a few sheets with signatures of the drivers who are supporting the original idea of the proposed raise. We had limited time to reach out to the driver, as this month was very busy so far. Also as I tried to point out above, there are not enough drivers on the roads which results in more work hours for us. I hope the number of signatures you'll find on these list will be an indication, that there are drivers who would welcome the price increase because they struggle.

