



APPENDIX 3

Cllr J Butt
Chair
Licencing Committee
BCP Council

19 July 2022

Dear Cllr Butt,

Application for exceptional Fare Review.

Members of our trade remain grateful for the decision of the committee earlier this year to agree a 8% increase in the approved meter rate.

However I am sure that you will understand that the costs used when calculating that request were those applicable in December last year. Furthermore the cost of diesel fuel has consistently been in the region of 35-40% of the total annual costs incurred by drivers and therefore the exponential rise in this expense since the beginning of 2022 is having a devastating effect on all drivers.

Indeed the £0.506 (34%) increase in the price of each litre of diesel since 1 Jan effectively means a rise of approx. 12.5% in the total expenses for each driver over only a six month period. This is without allowing for any increase in other items.

If we now relate this to the current approved fare chart rate per additional mile we would see an increase of 32, 43 & 49 pence (for rate 1, 2 & 3 respectively).



Another way of looking at this is to divide the 56p increase by 8 (a realistic Miles Per Litre (MPL) for taxis) which gives an absolute increase of 7p per mile. However, as I am sure you understand, drivers use fuel when travelling back to a rank empty which can routinely double the number of miles travelled in any shift.

We are conscious of the fact that everyone is facing difficulties with their finances due to the current rate of inflation but at the present time our members are facing these increases AND at the same time having their income reduced.

It is for this reason that we respectfully request your agreement to a 6% rise in the approved meter rate to be implemented at the earliest possible opportunity.

The agreed formula is designed to reflect the total increase being faced by drivers, but limiting this rise to 6% will only cover the increase in the cost of fuel and not provide any increase in profits. Furthermore we are not seeking any change to the time element of the fare which will further limit the effect of the change.

We believe that we are the only small business that has to obtain approval to pass on increases in costs as they occur, but have to absorb the resultant loss as we continue to trade.

I would add that we have considered asking instead for a supplement on top of the fare for each journey at the current rate but have decided against this as it is likely to result in inequality as every customer would face the same increase irrespective of the distance travelled.

Yours sincerely
David Lane



Secretary