



## Castle Cars

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MILEAGE LEGAL SERVICES

28 OCT 2010

FOR INFO.  
FOR DIST.  
FOR ACTION

26<sup>th</sup> October 2010

### Objection to Fare Increase

Members of the committee,

I wish to object to the increase in the taxi fare tariff on the grounds that it is insufficient. My calculations show the increase per mile after mile 2 to be only 2.21%, less than the increase in VAT that is being introduced in the New Year.

Our current fare table gives us a rate equating to £3.25 for the 1<sup>st</sup> Mile and £2.21 per mile thereafter.

The new table is more complicated, equating to £3.48 for the 1<sup>st</sup> Mile, £2.32 for the 2<sup>nd</sup> mile and then £2.26 for each mile thereafter. Many taximeters will also not be able to cope with this tariff.

The increase in the flag down rate is acceptable at approx 6%, but the 5p per mile increase after mile 3 does not even cover the 33% increase in fuel costs alone since our last increase almost 3 years ago. I understand that there will be no prospect of a further fare increase for at least another year, and every likelihood that fuel costs are likely to increase by a further 25% in that time.

This borough has over the past few years seen a marked increase in the standards of hackney vehicles and I am sure they would wish this to continue. However, due to the reluctance of banks to lend to small businesses in the current economic climate (and especially taxi drivers) I can only see these standards decrease as we can not afford to replace our aged vehicles.

Unless we receive a rate on which we can not only provide for our families and maintain our vehicle, but also to be able to save for a replacement when it is needed, then the future for the trade in this borough is extremely bleak.

My company has been running for 16 years now, and we managed to scrape through 2008 and 2009 with considerable losses, resulting in myself and my wife having to put our life savings in to keep it going. Trade over the past 12 months is 15% up on the preceding 12 months, but we are still unable to make a profit due to the high costs of this business. If a company with the pedigree of Castle Cars can not turn a profit what hope is there for many of the others?

I would ask that you reconsider this increase, and also the application for Time and Distance charging, as we are now the only borough in the UK not to charge this, putting us at a disadvantage. I ask that a minimum of 15p per mile increase be applied to all fares after the first mile, giving us approximately a 5% increase once the new VAT rate is taken into account.

Terry Hill

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