

COLTA Fare Increase Report: December 2013

Introduction

This report will provide an overview for the formal request of a fare increase rise for COLTA. There has been no fare increase for a period of approximately 17 months and by the time this matter becomes public it will be approximately 20 months. This has been due to a variety of Socio and Economic factors that have culminated in a stall in the rate of fare increase and contributory factors concerning the day to day running of a licensed hackney carriage in Oxford. Compare Bus fare prices and Car Parking increases in Oxford and it soon becomes apparent how high the prices are in comparison to Taxi fare increases. At the end of the day a taxi ride is more beneficial to the environment as four to five people can share a cab and share the fare.

The report will also include a schedule of increases in line with National inflationary and cost of living derivatives. An attached pro-forma for the increases will explain the requested rate increase and breakdown of how these figures were achieved.

The past 17 months has been a tough period in terms of economic prosperity and this has impacted on COLTA members and other individuals whom operate through the attainment of a specific licence to perform their duties on the road via Oxford City Council.

The cost of supporting a family and surviving on a daily basis has pushed COLTA members to the limits especially with the loss of some Taxi Ranks etc.

Overview

COLTA are requesting the fare increase in line with the rate of inflation over the past 17 months. So in short, it breaks down in terms of 1 increase per 17 months as of 2012- 2013. The economy has bolstered according to George Osbourne's Autumn Budget Statement of 2013, but the cost of living is still far outpacing the rates of inflation. Real costs for wages are still at an all-time low and in the run up to Christmas, token fuel price reduction has been exercised. This has had no impact on the reduction for the cost of living as we already pay one of the highest fuel prices in Europe for almost everything including other levies such as Death Tax. To put this into context Tesco are still experiencing sales slumps in comparison to last year. This means people have less money to spend and it has been like this for several years now.

Rationale

In the middle of 2008 record high oil prices were driving up transport costs etc, feeding through into the prices of products in the shops and contributing to higher household energy bills. Food prices were also rising fast. This has been blamed on oil price rises, which make commodities such as fuel more expensive but also due to the drought, rising demand from emerging economies and land being used for such resources such as biofuel. A fall in the value of sterling also forced up the cost of imported goods. LTI (The black cab manufacturer) has been taken over by a Chinese firm recently and parts for Black Cabs and tyres etc, have gone through the roof.

By early 2009 the price of crude oil had slumped losing two thirds of its value in just six months. The global recession had taken hold and this caused an array of fiscal, monetary and household expenditure issues.

The RPI measure which includes housing costs was negative because successive cuts in interest rates meant lower monthly mortgage repayments for many. The overall residing factor here however is that the inflation rates were short lived. VAT went back up to 17.5% and then at the beginning of 2010 went up to 20% the following year. As one can see, a very sharp hike for the cost of living in a 6-9 month period.

It was fairly evident for the British population especially in a City such as Oxford that big rises were coming along. Low and behold gas, electricity, oil, and other fuels shot up in price. Food and transport costs including the running of vehicle soared as a result. This quite simply meant that by September 2011 the RPI rose to 5.6% the highest annual rate since June 1991.

Spending Power for the British Public 2009-2013

The changes in the inflation rate over the past couple of years, reflects periods when prices have been rising by different amounts. Prices have been going up consistently so even during periods when the inflation rate was falling prices were still going up.

This meant that for households wage growth was well below the rate of inflation for the past four years which equates to the buying power for families has dwindled as the money that comes in will not be able to buy that much.

Since 2007 increases in VAT , import prices and energy prices have together pushed up price levels by up to 15%. This has choked real wages and this will culminate in the longest period whereby real wage levels have failed to rise since the 1920's. VAT is still 20% and is causing a significant poverty issue for most working class people who are just about keeping their head above water. To live in an economy whereby there are more food banks than last year does not paint a rosy picture for the next 5 to 10 years.

With the gloomy growth prediction for business and commerce over the next few years the Chancellor has withdrawn the Government fund aided 'Help to Buy your Home' scheme in favour of Business promotion schemes. This is to prevent the housing bubble' over inflated house prices' created over the past few years and limiting people's ability to buy property and offering green shoot recovery for more jobs and money for local economy.

COLTA Fare Rise Request

This report has tried to raise the plight of the Global economy which will affect the Eurozone and then on a National and ultimately Local Level. Factors that have come to light since the recession and indeed we are still in a third negative growth period, means that real wages and cost of living is being squeezed.

We are facing more austerity measures as well as other economies crashing and costs rising further. Therefore we are requesting the following fare increase to help us keep up with the CPI and RPI increases over the past two years at an increase of 3%.

APPENDIX TWO

EFFECT OF PROPOSED TARIFF VARIATIONS TO FARES (INCREASE OF COST AND PERCENTAGES)

Length of Journey (miles)	TARIFF ONE			TARIFF TWO			TARIFF THREE		
	Current Fare ₱	Proposed Fare ₱	Increase %	Current Fare ₱	Proposed Fare ₱	Increase %	Current Fare ₱	Proposed Fare ₱	Increase %
0.5	3.60	3.60	0.0	4.20	4.20	0.0	4.45	4.50	1.3
1.0	4.70	4.80	2.3	5.90	5.90	0.0	6.10	6.25	2.5
1.5	5.50	5.60	1.9	7.20	7.30	1.5	7.30	7.40	1.5
2.0	6.20	6.30	1.6	8.00	8.10	1.3	8.35	8.50	1.8
2.5	6.90	7.10	2.9	8.70	8.90	2.3	9.40	9.65	2.7
3.0	7.70	7.80	1.4	9.40	9.60	2.2	10.60	10.80	1.9
3.5	8.40	8.60	2.4	10.10	10.40	3.0	11.65	11.90	2.2
4.0	9.10	9.30	2.2	10.90	11.10	1.9	12.70	13.05	2.8
4.5	9.90	10.10	2.1	11.60	11.90	2.6	13.90	14.15	1.8
5.0	10.60	10.90	2.7	12.30	12.70	3.3	14.95	15.30	2.4
	Average Percentage Increase	1.95%		Average Percentage Increase	1.81%		Average Percentage Increase	2.09%	

APPENDIX THREE

METHODOLOGY FOR CALCULATING FARES:

TARIFF ONE	CURRENT £	PROPOSED £	TARIFF TWO	CURRENT £	PROPOSED £	TARIFF THREE	CURRENT £	PROPOSED £
Flag fall	2.50	2.50	Flag fall	2.50	2.50	Flag fall	2.80	2.80
1 Mile	4.70	4.86	1 Mile	5.85	5.93	1 Mile	6.10	6.28
2 Miles	6.18	6.37	2 Miles	7.93	8.17	2 Miles	8.32	8.54
5 Miles	10.62	10.90	5 Miles	12.37	12.70	5 Miles	14.98	15.32
10 Miles	18.02	18.45	10 Miles	19.77	20.25	10 Miles	26.08	26.62
Running Mile	1.48	1.51	Running Mile	1.48	1.51	Running Mile	2.22	2.26
4 COST	CURRENT (METRES)	PROPOSED (METRES)	COST	CURRENT (METRES)	PROPOSED (METRES)	COST	CURRENT (METRES)	PROPOSED (METRES)
£2.50	First 70m	First 67m	£2.50	First 47m	First 46m	£2.80	First 70m	First 67m
£0.10	Each 70m to 1610m	Each 67m to 1608m	£0.10	Each 47m to 2115m	Each 46m to 2208m	£0.15	Each 70m to 1610m	Each 67m to 1608m
£0.10	Then each 110m	Then each 107m	£0.10	Then each 110m	Then each 107m	£0.15	Then each 110m	Then each 107m
£0.10	Waiting Time 20 seconds	Waiting Time 20 seconds	£0.10	Waiting Time 19 seconds	Waiting Time 20 seconds	£0.15	Waiting Time 20 seconds	Waiting Time 20 seconds

CURRENT TARIFF CHART

MAXIMUM FARES set by OXFORD CITY COUNCIL

for licensed taxi-cabs. OPERATIVE FROM 25th March 2013

The driver must, unless he has reasonable excuse, accept any hiring within the City of Oxford boundary if the destination is also within the City of Oxford boundary. The fare for such a journey, shown below, will be calculated by the taxi meter.

The driver does **not have to accept journeys** that end **outside the City of Oxford** boundary; the fare or rate of **fare must be by agreement** between the hirer and driver before the journey commences. The fare is likely to be higher than within the City as drivers cannot accept a return hiring. **Where no such agreement exists then the scale of charges applicable to journeys within the City shown below will apply.**

FARES FOR DISTANCE TRAVELLED & TIME

TARIFF 1 06.00 -22.00 Monday to Saturday	For the first 70 metres or part thereof	£2.50
	each subsequent 70 metres or part thereof until 1610 metres	£0.10
	each subsequent 110 metres or part thereof	£0.10

WAITING TIME For each period of 20 seconds or part thereof	£0.10	For each trunk carried	£1.00
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TARIFF 2 22.00 - 06.00 Monday to Saturday all day Sunday All Public Holidays (except Tariff 3) from 00.01 until 06.00 the following day	For the first 47 metres or part thereof	£2.50
	each subsequent 47 metres or part thereof until 2115 metres	£0.10
	each subsequent 110 metres or part thereof	£0.10

WAITING TIME For each period of 19 seconds or part thereof	£0.10	For each trunk carried	£1.00
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TARIFF 3 Christmas From 20.00 24 th Dec Until 06.00 27 th Dec New Year From 20.00 31 st Dec Until 06.00 2 nd Jan	For the first 70 metres or part thereof	£2.80
	each subsequent 70 metres or part thereof until 1610 metres	£0.15
	each subsequent 110metres or part thereof	£0.15

WAITING TIME For each period of 20 seconds or part thereof	£0.15	For each trunk carried	£1.50
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For each passenger in excess of one	£0.20
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For each article of baggage carried outside the passenger compartment of the cab	£0.10
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For each adult pedal cycle carried (except folding)	£1.00
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For each wheeled vehicle carried (except mobility impaired persons vehicle)	£0.10
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PAYMENT by cheque credit card or debit card	£0.50
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SOILAGE CHARGE * To cover cleaning and loss of income, where the interior of the vehicle is soiled due to the excessive consumption of alcohol etc. or by the carriage of an animal, excluding guide dogs.	£30.00
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Complaints about the cab or driver should be sent immediately **PREFERABLY IN WRITING or E mail** to the Oxford City Council, Taxi Licensing, St Aldates Chambers, 109 St Aldates, OXFORD. OX1 1DS.
(licensing@oxford.gov.uk)

quoting the large vehicle identification number shown on the rear side windows of the vehicle or licence plate

Complaints can also be notified by telephone on 01865 252565

PROPOSED TARIFF CHART

MAXIMUM FARES SET BY OXFORD CITY COUNCIL FOR LICENSED HACKNEY CARRIAGES

OPERATIVE FROM 25TH MARCH 2014

The driver must, unless he has reasonable excuse, accept any hiring within the City of Oxford boundary if the destination is also within the City of Oxford boundary. The fare for such a journey, shown below, will be calculated by the taxi meter.

The driver does not have to accept journeys that end outside the City of Oxford boundary; the fare or rate of fare must be by agreement between the hirer and driver before the journey commences. The fare is likely to be higher than within the City as drivers cannot accept a return hiring. Where no such agreement exists then the scale of charges applicable to journeys within the City shown below will apply.

FARES FOR DISTANCE TRAVELLED & TIME

TARIFF 1 06.00 - 22.00 Monday to Saturday	For the first 67 metres or part thereof	£2.50
	each subsequent 67 metres or part thereof until 1608 metres	£0.10
	each subsequent 107 metres or part thereof	£0.10

WAITING TIME For each period of 20 seconds or part thereof	£0.10	For each trunk carried	£1.00
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TARIFF 2 22.00 - 06.00 Monday to Saturday, and all day Sunday All Public Holidays (except Tariff 3) from 00.01 until 06.00 the following day	For the first 46 metres or part thereof	£2.50
	each subsequent 46 metres or part thereof until 2208 metres	£0.10
	each subsequent 107 metres or part thereof	£0.10

WAITING TIME For each period of 20 seconds or part thereof	£0.10	For each trunk carried	£1.00
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TARIFF 3 Christmas From 20.00 24 th Dec Until 06.00 27 th Dec New Year From 20.00 31 st Dec Until 06.00 2 nd Jan	For the first 67 metres or part thereof	£2.80
	each subsequent 67 metres or part thereof until 1608 metres	£0.15
	each subsequent 107 metres or part thereof	£0.15

WAITING TIME For each period of 20 seconds or part thereof	£0.15	For each trunk carried	£1.50
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For each passenger in excess of one	£0.20
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For each article of baggage carried outside the passenger compartment of the cab	£0.10
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For each adult pedal cycle carried (except folding)	£1.00
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For each wheeled vehicle carried (except mobility impaired persons vehicle)	£0.10
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PAYMENT by cheque, credit card or debit card	£0.50
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SOILAGE CHARGE * To cover cleaning and loss of income, where the interior of the vehicle is soiled due to the excessive consumption of alcohol etc. or by the carriage of an animal, excluding guide dogs.	£30.00
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Should you wish to make a complaint about this vehicle or driver, please send your comments in writing to: Licensing Authority, Oxford City Council, 109 St Aldates Chambers, St Aldates, Oxford, OX1 1DS; or by email to: licensing@oxford.gov.uk

Please quote the vehicle identification number which can be found on the rear side windows or the rear licence plate, and provide as much detail as possible as to support your complaint.

Further information on how to make a complaint can be found on the Council website at: www.oxford.gov.uk/taxilicensing