

URGENT BY E-mail

24th May 2008

Martin Seymour
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Re: Taxi Tariffs

I have been asked by the trade to specifically address the comment made in previous council meetings that “expenses are deductible and should not form part of the councils deliberations in assessing requests for fare increases”.

The earnings of any business, but taxi drivers, are controllable by those who run those businesses most of these businesses have a target profit margin that they work by, both before and after tax.

If general expenses such as rent, rates, fuel, tax and VAT increase or indeed the cost of the product being marketed then, in most cases, prices will be raised to cover those extra costs and I think that all who shop in the high street will be fully aware of these basic facts.

However in the case of taxi drivers they always have to rely upon a third party, namely the Council, to set the charges that may be used for their business. If no rises are forthcoming for a lengthy period the effect is to whittle away any profit margin which will never be recoverable by the trade more importantly no council in the country, outside of London, consider the concept of “profit margin” in setting fares.

I think it is quite well known, that in the taxi industry, reacting to rises in the cost of operation can only be covered by working extra hours, and even this action carries extra expense and personal risk.

I hope we can agree the present request especially as the last rise was over two years ago.

Yours Faithfully

Bryan Roland

General Secretary

The National Private Hire Association

