

Dragon Taxis Cardiff

Hackney Carriage Alliance Proposal Objection

&

Counter Proposal

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Company Background

Dragon Taxis Cardiff represent over 800 Cardiff Council Licensed Drivers. A larger representation than any other local company or association by far. Since 1995 Dragon Taxis Cardiff have submitted and had approved the majority of Hackney Carriage Tariff proposals. As a company we have always taken a very pragmatic view to any increase. A balance between what is fair for Drivers and what is manageable for passengers has been the cornerstone of our applications.

Introduction

Dragon Taxis Cardiff is fully supportive of a Cardiff Hackney Carriage Tariff increase because drivers have felt the very significant impact from the pandemic, fuel increases and general cost of living increases.

However, we do also take the long-term view that the tariff increase must be considered carefully not to unfairly 'punish' passengers to the extent that passenger demand is significantly impacted. We should remember that using a taxi is an essential form of transport for many people that cannot access public transport and that do not have access to a private vehicle. We have seen a recent dip in overall passenger demand which we believe can be attributed to the current cost of living crisis and we do not wish to exasperate that situation.

On closer analysis of the Cardiff Hackney Alliance's proposal, we think that the HCA tariffs are in excess of what they need to be and if implemented they will significantly reduce demand, therefore negatively impacting passengers and Drivers alike. The full impact of **the waiting time element** of the proposal has been overlooked and has the potential to significantly increase overall fares. The focus appears to have been on the distance charges. This is misleading and we hope that the following analysis will highlight the full ramifications.

In short, we object to the Hackney Carriage Alliance's Proposal specifically but believe a tariff increase is required as soon as possible. We furthermore **request an emergency meeting is held to approve our increase, so that the original staging date in September can be maintained.**

Hackney Carriage Alliances Proposal vs Current Tariff (Tariff 1)

From Dragon Taxis extensive data and analysis, the average fare can be identified at 4 miles distance with 15 minutes waiting time throughout the course of the journey.

It is extremely important to note that waiting time is currently applicable whenever the vehicle travels below 5 mph. HCA would have this raised to 8mph in their proposal. This would impact on waiting time more than the average booking highlighted above. Please note the below represents exact calculations, these would actually round in £0.20.

Tariff 1 Comparison

	HCA Proposal	Current Tariff	Variance	Variance %
Base Fare	£3.50	£2.50	£1.00	40.00%
First Mile	£1.78	£1.70	£0.08	4.53%
Subsequent Miles	£2.07	£1.81	£0.27	14.71%
Waiting Time per Min	£0.45	£0.25	£0.20	80.00%

Average 4 Mile Booking inc. 15 minutes waiting time

	HCA Proposal	Current Tariff	Variance	Variance %
Distance Charge	£11.49	£9.61	£1.87	19.48%
Waiting Time Charge	£6.75	£3.75	£3.00	80.00%
Total Charge	£18.24	£13.36	£4.87	36.37%

As you can see, the average fare would **increase by 36.37% in total** if the waiting time element is factored in. This is extortionate and would see the booking levels reduce, impact passengers' ability to pay and reduce levels of Driver weekly earnings. If the same analysis carries forward to the Tariff 2 and 3 proposals the increase is even more pronounced.

We would therefore suggest a significant increase for the HCA but more balanced than that currently proposed. Please find below the counter proposal from Dragon Taxis Cardiff which we believe to be more market sensitive, which addresses Drivers concerns and protects the broader marketplace. We also think passengers will be more understanding of these increases given current market conditions.

Counter Proposal

Tariff 1	Applicable Time Period
Base Fare - £2.50 (103 yards)	Monday to Friday – 06:00 to 07:00
103 yards to 1 Mile (1760 yards) - £0.29 (every 195 yards)	Monday to Thursday – 09:30 to 14:30
Subsequent Miles - £0.21 (every 195 yards)	Friday – 09:30 to 12:00
Waiting Time (<5 mph) - £0.20 (40 second intervals)	Monday to Thursday – 18:00 to 22:00

Tariff 2	Applicable Time Period
Base Fare - £3.50 (103 yards)	Sunday to Friday – 22:00 to 06:00
103 yards to 1 Mile (1760 yards) - £0.29 (every 195 yards)	Monday to Friday – 07:00 to 09:30
Subsequent Miles - £0.21 (every 195 yards)	Monday to Thursday – 14:30 to 18:00
Waiting Time (<5 mph) - £0.20 (40 second intervals)	Friday – 12:00 to 22:00
	Saturday & Sunday – 06:00 to 22:00

Tariff 3	Applicable Time Period
Base Fare - £4.50 (103 yards)	Friday & Saturday – 22:00 to 06:00
103 yards to 1 Mile (1760 yards) - £0.29 (every 195 yards)	
Subsequent Miles - £0.21 (every 195 yards)	
Waiting Time (<5 mph) - £0.20 (40 second intervals)	

Extras
Soiling Charge - £60.00
Xmas & NY - Tariff 3 + £3.00 extra

Dragon Taxis Cardiff Proposal vs Current Tariff (Tariff 1)

From Dragon Taxis extensive data and analysis, the average fare can be identified at 4 miles distance with 15 minutes waiting time throughout the course of the journey.

The waiting time is currently applicable whenever the vehicle travels below 5 mph. Please note the below represents exact calculations, these would actually round in £0.10.

Tariff 1 Comparison

	Dragon Proposal	Current Tariff	Variance	Variance %
Base Fare	£2.50	£2.50	£0.00	0.00%
First Mile	£2.46	£1.70	£0.76	44.75%
Subsequent Miles	£1.90	£1.81	£0.09	5.26%
Waiting Time per Min	£0.30	£0.25	£0.05	20.00%

Average 4 Mile Booking inc. 15 minutes waiting time

	Dragon Proposal	Current Tariff	Variance	Variance %
Distance Charge	£10.66	£9.61	£1.05	10.87%
Waiting Time Charge	£4.50	£3.75	£0.75	20.00%
Total Charge	£15.16	£13.36	£1.80	13.43%

Dragon Taxis Cardiff Proposal vs Hackney Carriage Alliance Proposal (Tariff 1)

From Dragon Taxis extensive data and analysis, the average fare can be identified at 4 miles distance with 15 minutes waiting time throughout the course of the journey.

The waiting time is currently applicable whenever the vehicle travels below 5 mph. Please note the below represents exact calculations, these would actually round in £0.10 for Dragon Taxis Cardiff's proposal and £0.20 for HCA's proposal.

Tariff 1 Comparison

	HCA Proposal	Dragon Proposal	Variance	Variance %
Base Fare	£3.50	£2.50	£1.00	40.00%
First Mile	£1.78	£2.46	(£0.68)	(27.79%)
Subsequent Miles	£2.07	£1.90	£0.17	8.98%
Waiting Time per Min	£0.45	£0.30	£0.15	50.00%

Average 4 Mile Booking inc. 15 minutes waiting time

	HCA Proposal	Dragon Proposal	Variance	Variance %
Distance Charge	£11.49	£10.66	£0.83	7.77%
Waiting Time Charge	£6.75	£4.50	£2.25	50.00%
Total Charge	£18.24	£15.16	£3.08	20.30%

The above clearly outlines the significant difference between the Dragon Taxis Cardiff and the Hackney Carriage Alliance's proposals. It shows that the HCA proposal is on average 20.30% more expensive than the Dragon Taxis Cardiff proposal.

This additional amount may be seen as positive by Drivers in the short term. However, the long-term effects of such an increase would see a negative impact for Drivers. Taxi usage will dramatically reduce in favour of alternative transportation options, but in reality it may simply prevent passengers from taking essential journeys.

Conclusion

The council's own report states that the cumulative inflationary increase since the last tariff change in December 2017 is 12.10%. With that in mind we cannot justify the Hackney Carriage Alliances extortionate 36.37% increase to the average booking of 4 miles with 15 minutes waiting time. This will not benefit Drivers. It will reduce their bookings and in turn their ability to earn a living.

The counter proposal that Dragon Taxis Cardiff recommends is a 13.43% increase for the average booking and is both fair to the Drivers while also not being detrimental to their opportunity to earn. It is also very important to note that the Dragon Taxis proposal is also fair for Tariff 2 & 3 not becoming significantly more, whereas the HCA Proposal becomes even more extortionate.

We would request the committee to fully understand the broader implications of the HCA Proposal and understand all the subtle and seemingly unimportant tariff adjustments being proposed, which will have significant repercussions.

Thank you for your time and consideration.