

# OPERATOR FEE CONSULTATION RESPONSE

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## **GMB Professional Driver's Branch**

Our membership is made up of those who drive professionally for a living and those who also assist them.

GMB membership Includes Private Hire Drivers, Taxi (Hackney) drivers as well as delivery, ambulance drivers, vehicle valets and Parts Delivery Drivers.

We also have a number of small private hire operators within our membership.

A large proportion of our membership is self-employed.

We have a close working relationship with TFL and have been responsible for working to help create and work on the legislation in place today from work on sight and diabetes for drivers to the bus lane signs available for Private hire vehicles in London.

Our London membership is substantial and growing and is made up of Both Taxi and Private Hire drivers.

We have links with many safety groups and other trade bodies.

Our branch maintains cordial relations with many licencing authorities.

The GMB has had recent contact with most assembly members and the Mayor in relation to the needs of both Passengers and drivers in London and its environs and this submission is a clarification of our concerns and suggestions for the future of Private Hire and its role in London.

## **GMB and TFL**

The GMB Professional Drivers branch (GMB) Attend meetings frequently with TFL on a range of issues including Compliance and Licensing.

We pass on data and information to both enforcement and ground transportation officials of TFL on a frequent basis

We hope that some of the suggestions and recommendations we make will help shape a safe and profitable future for all those involved in provision of Ground Transportation in the areas under the Mayors & TFL's influence.

## The TFL Private Hire Operator Fee Consultation

Transport for London has decided to review the fee structure for the Private Hire Operators under its purview.

### Consultation response.:

Whilst GMB seeks a more equitable structure as per our response in the Private Hire consultation.

The issue is size of license and pricing which seem disproportionate to the costs seen elsewhere in the UK.

Seemingly hardest hit are small operators with 11 – Vehicles to 15 who pay disproportionately more than other operators.

Traditionally these operators have high overheads due to compliance expectations.

The reality of any increase will be that drivers will be faced with these extra expenses as operators cannot absorb them in any other way but to damage the driver.

We anticipate that operators subjected to annual levies of £14 will no doubt consider increasing commission or fees to cover these costs at no doubt a further profit to their business.

The iniquity of vehicle numbers is understandably of concern as very small operators who do not need the enhanced capacity will pay higher fees unnecessarily.

Even if operators encourage drivers to take their own operator license's to avoid higher costs of licensing drivers would not be in a position to take bookings if out on the road as this would breach existing legislation.

Turning to the economics of the pricing structure it seems there is a disparity on the revenues to be gained from this exercise.

Based on conservative estimates of 3000 Vehicles for Addison Lee and 30,000 for Uber the overall revenue for the fees paid over 5 years would amount to £45,684,476 leaving an amount of £7,684,476 this seems unusual considering operator levels are dropping due to competitive damage.

We are concerned about haves and have nots.

We have the following alternative suggestion which is flexible:

Small Operator: Up to 5 Cars in use at any time with strong penalties for those who ignore this.

Small Operator Plus: Up to 50 Cars available at any time.

Medium Operator Up to 500 cars.

Large Operator Up to 1000 Cars.

Large Plus up to 5000 Cars.

Super Up to or over 20,000 Cars with no option to swap out or change between established drivers.

The reason behind this is simple Larger operators require more time for compliance.

Smaller operators are subsidising larger operators where the work levels for compliance are considerably smaller.

We Feel the rates suggested are unreasonably high in comparison to elsewhere in the UK and would advocate reexamining options.

Please see below as an illustration:

Fixed Charges Charge Application for, or a licence resubmitted for, approval of a Type A Operating Licence/Air Transport Licence (Note 1) £15,225

Application for, or a licence resubmitted for, approval of a Type B Operating Licence (Note 2) £1,827

If this is what airlines pay plus a nominal fee per 1000 kilometers travelled how can private hire operators be subjected to such high figures?

GMB Professional Drivers branch will expand further on any proposals following this response.

However, we are keen to re-iterate that the sums sought are disproportionate.

