



## LICENSING SUB-COMMITTEE

14 DECEMBER 2021

### REVIEW OF HACKNEY CARRIAGE TARIFF

Report from: Bhupinder Gill - Assistant Director, Legal and Governance

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(Gravesham & Medway)

#### Summary

The purpose of this report is to seek Members' approval to consult the taxi trade on whether or not the Hackney Carriage tariff should be reviewed.

#### 1. Policy Framework

1.1 8.1.2 – 8.1.4 of the Council's Hackney Carriage and Private Hire Policy states:

8.1.2 Medway Council will review the tariff when a bona-fide proposal is received;

8.1.3 in reviewing the fare tariff the Council will follow the procedures in the Local Government (Miscellaneous Provisions) Act 1976; and

8.1.4 when determining the level of fares, consideration will be given as to what it is reasonable to expect the travelling public to pay as well as the need to give drivers an incentive to provide a cost-effective service at the times it is needed.

#### 2. Background

2.1 Hackney carriages (taxis) are a vital form of local transport. Local Authorities have the power to set the fares of taxis which they licence.

2.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that "a district council may fix the rates or fares within the district for time as well as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section."

- 2.3 It is at the discretion of the Council as the licensing authority to set a tariff for licensed hackney carriages operating within the borough.
- 2.4 By fixing the fares, the Council is effectively setting the maximum fare that hackney carriage drivers can charge. Legally, taxi drivers may charge less than this rate but may not charge more.
- 2.5 The setting of fares applies only to hackney carriages drivers and not to private hire drivers who can charge their own rates as statute allows. In practice however, many private hire drivers charge the rate set by the tariff for journeys within the borough as this leads to fewer arguments with customers who may otherwise be confused as to why charges differ for the same journey.
- 2.6 In the past, requests for any tariff increase were submitted by the Medway Licensed Taxi Drivers Association (MLTDA) and these were duly advertised in accordance with Section 65 (2) of the Local Government (Miscellaneous Provisions) Act 1976 for a period of 14 days. If no objections were received, the tariffs would come into effect on the day after the expiration of the consultation period.
- 2.7 If objections were received, these would be considered by the Licensing Sub-Committee prior to the fees being set, which would have to come into force no later than two months after the first specified date.
- 2.8 Historically, no objections have been received following the advertising of any tariff review.
- 2.9 The MLTDA have not requested a review of tariffs since 2014 with the exception of the annual Christmas/New Year tariff variations.
- 2.10 We have, for the first time, received a request for an increase in tariffs from an individual driver who is not representing the rest of the taxi trade.
- 2.11 As there are cost and consultation period implications associated with any request for varying the tariff it would be appropriate to seek the taxi trade's view on whether or not a variation of tariff should be made, to negate any further requests being submitted individually. Therefore, we are seeking approval to poll the taxi trade with a further report to Committee being submitted with the results of the poll.
- 2.12 The receipt of a request for a tariff increase from an individual licensed driver has highlighted a gap in our process for reviewing the tariff only on receipt of a request from a body representing the taxi trade. We are therefore also seeking approval from the Sub-Committee to engage with the trade on drafting a policy for the review of the Hackney Carriage Tariffs, which will include the frequency of reviews and methodology.

### 3. Risk Management

- 3.1 There are no risks associated with the proposed poll.

### 4. Financial and legal implications

- 4.1 When the fares are varied, the Council is required to publish a notice in a local newspaper setting out the variation. Objections can be made to the variation and any such objections must be considered before the table of fares is brought into force with or without modifications. The costs for advertising the variations will be recovered from licence fees.
- 4.2 The authority for the Council to fix fares for hackney carriages is given under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. Any review of the tariff carried out subsequent to the results of the proposed poll would be carried out in accordance with the procedure set out in the Act and the Council's Constitution.

### 5. Recommendations

- 5.1 That the Sub-Committee approves the request to poll the taxi trade; the results of which will be reported back to a future meeting.
- 5.2 That the Sub-Committee approves the request to engage with the trade on drafting a policy for the review of the Hackney Carriage Tariffs.

#### Lead officer contact

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#### Appendices

None

#### Background papers

None