

LICENSING SUB-COMMITTEE

22 APRIL 2022

REVIEW OF HACKNEY CARRIAGE TARIFF

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Summary

The purpose of this report is to present Members with the outcome of the recent consultation with Medway licensed taxi trade on whether or not the tariff should be reviewed and seek approval for the next steps.

1. Policy Framework

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

- Medway Council will review the tariff when a bona-fide proposal is received;
- In reviewing the fare tariff the Council will follow the procedures in the Local Government (Miscellaneous Provisions) Act 1976; and
- 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 Following receipt of a request for a tariff increase, a report was presented to the Licensing Sub-Committee on 14 December 2021 when Members approved the following:

- To poll the taxi trade with the results being reported back to a future meeting.

- To engage with the trade on drafting a policy for the review of the Hackney Carriage tariffs.

A copy of the report is attached at Appendix A.

- 2.2 All 569 Medway licensed drivers were polled via email; 507 on 20 January 2022 with a deadline for responses to be received by 4 February 2022 and 62 on 26 January 2022 with a deadline for responses to be received by 10 February 2022. A copy of the consultation email circulated is attached at Appendix B.
- 2.3 Of the 569 drivers contacted, a total of 263 responses were received.
- 2.4 The results of the poll, which asked the question ‘Do you wish for the tariff to be reviewed now’, are as follows:
- YES – 193
 - NO – 70
- 2.5 Following the results of the poll, contact was made with the individual driver that submitted the request for a review and the Medway Licensing Taxi Drivers Association (MLTDA) and a request was made for their suggested tariffs.
- 2.6 After receiving the above request, the MLTDA further consulted their members and following a brief survey conducted by them, they have submitted a comprehensive report, which includes an explanation of the current Medway tariff structure and calculation and their suggested options for Members’ consideration. Their report is attached at Appendix C.
- 2.7 The Licensing Manager advised the individual driver of the proposed options submitted by the MLTDA and he confirmed that he was happy with their proposals and would not therefore submit any additional proposal for Members’ consideration.
- 2.8 The options from the MLTDA are summarised as follows:

Option No.	Option details
A	Decrease the Distance Unit from 190 yards to 180 yards – this will increase the distance element of the tariff by up to 5%
B	Decrease the Distance Unit from 190 yards to 175 yards – this will increase the distance element of the tariff by up to 8.5%

C	Decrease the Distance Unit from 190 yards to 170 yards – this will increase the distance element of the tariff by up to 12%
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3. Benchmarking

- 3.1 The Private Hire and Taxi Monthly (PHTM), a website and monthly magazine for the trade and licensing authorities, maintains a 'league table' of tariffs set by licensing authorities (including Transport for London in relation to London 'Black Cabs') from the highest to lowest based on the cost of a 2-mile journey on Tariff 1.
- 3.2 Attached at Appendix D is a benchmarking league table showing all Kent licensing authorities and includes the placement of each on the national fares table reported in the April 2022 edition of the PHTM. Members will note that, based on these figures, Medway is currently placed 9th out of the 13 Kent local authorities and 85th out of 355 Councils nationally.

4. Risk Management

- 4.1 An unreasonably expensive tariff could be a source of resentment amongst the travelling public. The taxi tariff does however represent the maximum fare that can be charged and so drivers are able to charge less to be competitive if they so wish. Equally, and just as importantly, the Council's tariff limits the earning potential of its licensed taxi trade and so an unreasonably low tariff could be a source of resentment amongst the trade.

5. Financial and legal implications

- 5.1 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.
- 5.2 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.

6. Recommendations

- 6.1 That the Sub-Committee considers the results of the tariff poll and determines whether there should be a review of the current taxi tariff.
- 6.2 If agreed to proceed with a review, that the Sub-Committee considers the tariff suggestions submitted by the Medway Licensed Taxi Drivers Association and either:

- 6.2.1 approves Option A, B or C and authorise officers to proceed with implementation in accordance with legislation; or
- 6.2.2 authorises officers to consult the taxi trade on its preferred option (A, B or C) via email, the results of which will be brought back to a future meeting of the Licensing Sub-Committee.

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Appendices

Appendix A – Licensing Sub-Committee report -14 December 2021

Appendix B – Consultation email

Appendix C – MLTDA report and recommendations

Appendix D – Tariff league table

Background papers

None