



LICENSING SUB-COMMITTEE

5 AUGUST 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 its preferred option, A, B, C or D 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 The Licensing Sub-Committee considered a report on 22 April 2022 (attached at Appendix A) on the outcome of the consultation with the Medway licensed taxi trade on whether or not the Hackney Carriage fare tariff should be reviewed. The Sub-Committee:

- a) considered the results of the tariff poll and agreed to proceed with a review of the current taxi tariff;

- b) considered the tariff suggestions submitted by the Medway Licenced Taxi Drivers Association;
- c) authorised officers to consult the taxi trade on its preferred option, A, B or C, or additional option D - no increase in tariff - via email, the results of which would be brought back to a future meeting of the Licensing Sub-Committee; and
- d) agreed that a report on contactless payment for fares be considered at a future meeting of the Sub-Committee

2.2 The contactless payment for fares is currently being investigated and a report will be presented to the Sub-Committee once concluded.

2.3 All 495 Medway licensed hackney carriage and private hire drivers (excluding homes to school transport contract work and executive car hire) were polled via email on 7 June 2022 with a deadline for responses to be received by 19 June 2022. A copy of the consultation email circulated is attached at Appendix B.

2.4 Of the 456 drivers contacted, a total of 292 responses were received.

2.5 The results of the poll, which detailed the following options:

Option	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%
D	No increase in tariff

are as follows:

Option	No. of responses received
A	5
B	48
C	218
D	21

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 C 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.
- 3.3 The following table shows the placement each option would place Medway:

Option	Position on Kent licensing authorities benchmarking league table
A	8th
B	6th
C	3rd

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 poll will be carried out in accordance with the procedure set out in the Act and the Council's Constitution.

6. Recommendation

- 6.1 That the Sub-Committee considers the results of the tariff poll and determines which option to proceed with.

Lead officer contact

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Appendices

Appendix A – Licensing Sub-Committee report 22.04.22
Appendix B – Consultation email
Appendix C – Tariff League Table

Background papers

None