



## **Cabinet**

**12 March 2024**

### **Variation to Hackney Carriage Tariffs**

Portfolio Holder: Councillor Tristan Osborne, Portfolio Holder for Community Safety and Enforcement

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

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#### **Summary**

This report requests that the Cabinet sets the Hackney Carriage Tariffs following a recommendation from Licensing Sub-Committee on 9 February 2024.

#### **1. Recommendation**

- 1.1 The Cabinet is requested to set the tariffs as proposed by the Licensing Sub-Committee, agree for officers to advertise in accordance with legislation and circulate to the taxi trade for comments for a period of 14 days commencing on 21 March 2024.
- 1.2 The Cabinet is requested to agree that if no objections are received within the 14-day notice period, or if all objections made are withdrawn, the variation will come into operation on the date of the expiration of the 14-day notice period or the date of withdrawal of the objection(s), whichever is the later.

#### **2. Reasons for decision**

- 2.1 Approval of the recommendations will enable implementation of the tariffs proposed by the Licensing Sub-Committee.

#### **3. Budget and Policy Framework**

- 3.1 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.

3.2 The setting of tariffs is an executive function and is therefore a matter for Cabinet.

#### 4. Background

4.1 The current tariff, attached at Appendix A, was set by Members on 5 August 2022 and came into effect on 15 September 2022.

4.2 Following requests to submit a tariff review made to the MLTDA by its members, the MLTDA conducted a survey with all Medway licensed hackney carriage and private hire drivers. The Licensing Team circulated the survey link on their behalf in order that all drivers, not just MLTDA members, were consulted.

4.3 On 12 January 2024, the Licensing Team received a proposed tariff submission report from the MLTDA for a variation to the current tariff with a copy of the survey, response analysis and drivers comments, which are attached at Appendix B.

4.4 Members are requested to consider the recommendation of the Licensing Sub-Committee, following the submission from the MLTDA and set the tariffs as proposed.

4.5 If approved, the set tariff will then be advertised in accordance with legislation by way of a notice placed in the newspaper inviting comments for a period of 14 days.

4.6 There are cost and consultation period implications associated with any request for varying the tariff as a result of the legal requirement to advertise any variation to the current set tariffs. It would therefore be appropriate for the Council to agree the set tariff prior to consultation.

4.7 If no objections are received within the 14-day notice period, or if all objections made are withdrawn, the variation will come into operation on the date of the expiration of the 14-day notice period or the date of withdrawal of the objection(s), whichever is the later.

4.8 If objections are received and not withdrawn, a further report will be submitted to the Cabinet for consideration and to set a date for the variation to come into effect with or without modifications after consideration of the objections.

## 5. Proposed Revisions

- 5.1 The Licensing Sub-Committee considered the proposed variation of tariffs submitted by the MLTDA and were content to recommend these to the Cabinet. The changes relate to an increase to the flag/starting price from £3 to £4; this was last revised in July 2008. There is no change to the distance and waiting time element.

## 6. Licensing Sub-Committee

- 6.1 The Licensing Sub-Committee considered the report on 9 February 2024 and the minutes of the discussion are set out below:
- 6.2 Following the receipt of legal advice, the Sub-Committee were advised that the setting of tariffs was an executive function, i.e. a matter for Cabinet, rather than the Licensing-Sub Committee.
- 6.3 The Sub-Committee were advised to disregard paragraphs 3.4-3.8 of the report as these would be steps for Cabinet to consider. The Sub-Committee were asked to recommend to Cabinet to set the tariffs as attached in Appendix B. The report would be submitted to Cabinet on 12 March 2024.
- 6.4 The Licensing Manager informed the Sub-Committee that following consultation with drivers it was recommended that the flag price was increased from £3 to £4, as this had not been changed for circa 16 years, with no change to the distance or waiting time element of taxi fares.
- 6.5 Members discussed whether the proposed increase was reasonable in the current financial climate and that it remained competitive with the flag price increase.
- 6.6 **Decision:**  
The Sub-Committee agreed to recommend Cabinet to set the tariffs as attached in Appendix B.

## 7. Risk Management

- 7.1 There are no risks associated with Members setting the variation to tariffs and seeking views from the public and taxi trade.

## 8. Financial and legal implications

- 8.1 The cost of advertising the variation would be met from within existing budgets.
- 8.2 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”.

- 8.3 It is at the discretion of the Council as the licensing authority to set a tariff for licensed hackney carriages operating within the borough.
- 8.4 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.
- 8.5 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, the majority of Medway licensed private hire drivers have meters installed in their vehicles and 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.

### Lead officer contact

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### Appendices

Appendix A - Current Medway tariffs

Appendix B - Proposed tariff submission report from the MLTDA

### Background papers

None