

## **Licensing and Safety Committee**

**10 December 2024**

### **Hackney Carriage Tariff Review Policy**

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

Author: Mandy Francis - Licensing Manager, Gravesham and Medway Shared Licensing Service

#### **Summary**

The purpose of this report is for Members to consider the proposed Hackney Carriage Tariff Review Policy and seek approval to consult the taxi and private hire trade.

#### **1. Recommendations**

- 1.1. That the Committee approve the proposed Hackney Carriage Tariff Review Policy for consultation and agree to officers proceeding with the same.

#### **2. Budget and policy framework**

- 2.1. The Committee's terms of reference state that the Licensing and Safety Committee will make recommendations to Council for approval of any licensing policies.

#### **3. Background**

- 3.1. Hackney carriages (taxis) are a vital form of local transport. Local Authorities have the power to set the fares of taxis which they licence.
- 3.2. 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."
- 3.3. It is at the discretion of the Council as licensing authority to set a tariff for licensed hackney carriages operating within the borough.

- 3.4. 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.
- 3.5. 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.
- 3.6. In the past, requests for any tariff increase were submitted on an ad-hoc basis 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.
- 3.7. In 2021, receipt of a request for a tariff increase from an individual licensed driver highlighted a flaw in our current long-standing process by reviewing the tariff only on receipt of a request from the taxi trade in so far as there is no control over the number nor frequency of requests that could be received and would have to be acted upon, and no ability for officers to prepare in advance.
- 3.8. This request was considered by the Licensing Sub Committee on 14 December 2021 and, in order to seek to address the issues outlined above, Members authorised officers to engage with the trade on drafting a policy for the review of the Hackney Carriage tariffs and report to a future meeting of the Licensing and Safety Committee.
- 3.9. The proposed Hackney Carriage Tariff Review policy, attached at Appendix A, has been written following discussion with the MLTDA.

## 4. Options

- 4.1. The Committee authorise officers to consult the licensed taxi trade on the proposed Hackney Carriage Tariff Review and report back to a future meeting.

## 5. Advice and analysis

- 5.1. A documented policy ensures a transparent and consistent approach when reviewing Hackney Carriage Tariffs, negates the need for submissions to be received from the taxi trade before any review is undertaken and alleviates the risks of unforeseen operational pressures upon the service arising from uncontrollable/unexpected tariff review requests. This will also reduce the cost and consultation period implications in relation to the legal requirement to advertise and consult on any variation to tariffs.

## 6. Risk management

- 6.1 An unreasonably expensive tariff could be a source of resentment amongst the travelling public. 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.

## 7. Consultation

- 7.1 The draft Hackney Carriage Tariff Review Policy was written following engagement with the Chair of the MLTDA.
- 7.2 A six-week consultation with the licensed hackney carriage and private hire trade via email is proposed commencing on 16 December 2024 and ending on 26 January 2024.
- 7.3 All incoming responses will be summarised for Members consideration at a future meeting.
- 7.4 Any proposed variations by Members of the Licensing and Safety Committee will then be incorporated into a revised Hackney Carriage Tariff Review Policy to create a final draft for approval by Cabinet.

## 8. Climate change implications

- 8.1. There are no climate change implications.

## 9. Financial implications

- 9.1. The Council's licensing activities are met from a budget within the Business Support Department and licence fees contribute to meeting the cost of the service. There are no direct financial implications relating to the decision regarding this policy.

## 10. Legal implications

- 10.1. There is no legal requirement for a policy, however it is best practice. This is different from the Licensing Act 2003 and the Gambling Act 2005 where a written policy is a legal requirement.

## Lead officer contact

Mandy Francis, Licensing Manager for the Gravesham and Medway Shared Licensing Service  
Telephone No: 01474 337438 Email [mandy.francis@gravesham.gov.uk](mailto:mandy.francis@gravesham.gov.uk)

## Appendices

Appendix A – Draft Hackney Carriage Tariff Variation Policy.

Background papers

None