



Taxi Tariff Review Policy

Effective from – TBC

Definitions

Throughout this document:

- 'The Council' or 'the (licensing or local) authority' means Medway Council
- 'Driver' or 'licensed driver,' unless otherwise specified, means a hackney carriage or a private hire driver
- 'Taxi' or 'hackney carriage' means a vehicle licensed under the Town Police Clauses Act 1847 to ply for hire throughout the district controlled by the Council.
- 'Private hire vehicle' or 'PHV' means a vehicle licensed under the Local Government (Miscellaneous Provisions) Act 1976 to carry passengers for hire or reward by prior booking.
- 'The Committee' means the relevant Committee or Cabinet of the Council for determining matters relating to taxi and private hire licensing
- 'Proprietor' means the owner of the licensed vehicle – this may not necessarily be the driver of the vehicle

Introduction

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

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.”

It is at the discretion of the Council as licensing authority to set a tariff for licensed hackney carriages operating within the borough.

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.

The setting of fares applies only to hackney carriage 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.

There are two main elements which affect the fare:

- ‘The flag’ – which is the amount shown on the meter at the start of a journey and therefore the minimum fare payable.
- ‘The yardage’ – which dictates the rate at which the fare increases with distance, whereby the fare increases more rapidly as the distance in yards decreases.

Additional charges can also be levied, provided they are set out within the table of fares, to reflect such matters as damage caused to vehicles, passenger numbers, seasonality and tolls, for example.

A documented policy ensures a transparent and consistent approach when reviewing Hackney Carriage Tariffs.

Consultation and Implementation

In drawing up this policy, Medway Council consulted with:

- Local Trade Association
- Taxi and private hire drivers

Frequency of review

The council will (unless determined otherwise by the licensing authority) review the tariff once every 2 years commencing 2025.

Consultation methodology

In reviewing the tariffs, the Council will consult with all licensed hackney carriage and (non-restricted) private hire drivers via email (only) for a four-week period, ordinarily commencing no later than 31st March. Typically, consultees will be invited to choose their preferred value from predefined options using a simple online survey.

E.g. Variation of current Tariff:

A: No variation to current tariff

B: Vary the flag:

1: Reduce the Flag

2: Increase the Flag

C: Vary the yardage (Distance Unit):

1: Decrease the Distance Unit

2: Increase the Distance Unit

For example, if a consultee wishes to choose to have the Flag increased, they will select option B2, and then choose their preferred value, e.g. 20p, 40p, 60p, etc. from the options provided.

In addition, in order to ensure that all other elements of the tariff will be subject to periodic review, one of each of the following elements will be consulted on during each bi-annual review, and in the following order:

1. Waiting time
2. Tariff two
3. Tariff three
4. Additional charges (i.e. costs per person above 4 passengers/soiling charges).

Emergency Reviews:

Should an event that places a significant and unforeseen financial burden on the licenced trade occur, which shall not include those arising from local policy/procedural/fee setting/tariff setting or similar decisions, a written request from and supported by more than 50% of the entire trade, (i.e. all licenced hackney carriage and [non-restricted] private hire drivers) for an emergency tariff review during the interim period, may be submitted to officers. Any such valid request will be presented to the relevant Member(s) or Committee of the Council for consideration. A two-year review period will resume following any emergency review, and a further emergency review cannot be submitted in the interim period that follows before the next two-yearly review.

Governance arrangements:

- Officers will proceed with the consultation in accordance with the above methodology without having to seek prior approval.
- Consultation results will be presented to Cabinet for consideration and to determine what, if any, new tariff will be set.
- The agreed tariff will be published by officers in accordance with the legislation, enabling anyone wishing to object to it to do so within the prescribed timescale.
- Any objections will be referred back to Cabinet for consideration, after which the final tariff will be set and take effect on the revised date.
- If no objections are received, the published tariff will take effect from the date set.
- All licenced vehicle proprietors with a meter fitted (whether Hackney Carriage or Private Hire) will be required to have their meters recalibrated to any new tariff, at their cost, and send the authorised certified evidence to licensing@gravesham.gov.uk within 6 weeks of the new tariff commencement date.