

Officer comments

1. Frequency of tariff

The MLTDA and three of the four individual drivers who responded asked that tariff reviews occur annually, rather than bi-annual as proposed in the draft policy.

In drafting the policy, officers carefully considered the proposed frequency and in reaching the recommend bi-annual (i.e. once every two years) basis, factored in such elements as the teams' ability to undertake this process within its current staffing capacity and the number of previous requests for a tariff review in recent years.

Prior to the tariff review request from an individual independent driver in 2022, the last 'bonafide proposal' (as required by the Hackney Carriage and Private Hire Policy) to review the tariff was in 2014; some 8 years without an increase being formally requested by the MLTDA or any licenced driver.

This strongly suggests that an annual review would not be reasonable nor justified, and that the proposal presented by officers to introduce a policy that would ensure that the trade benefit from a frequent and recurrent review every two years is a significant improvement to the current position.

Whilst the review process set out with the draft policy is intended to be as streamlined as practicable, as recognised by the MLTDA, reviewing the tariffs is still a significant undertaking for officers over a period spanning several months. To repeat this annually would be disproportionately onerous with potential to impact on overall service delivery.

In terms of applying an inflationary uplift, whilst acknowledging that consumer costs do vary, typical measures of inflation (e.g. CPI) are typically an impracticably small percentage to apply to a taxi tariff each year.

2. Areas of the tariff to review

All areas of the tariff can be reviewed and the survey that is proposed to be circulated will allow a driver to submit their thoughts for consideration in section D. Other. They also have the opportunity to put a request in writing for another element of the tariff to be included in the survey.

However, most of the changes requested are expected to relate to the flag or the yardage, as the primary determining factors in the minimum and overall cost of a journey.

Further, the example survey is exactly that and could therefore be subject to variations provided the overarching intention of consultees being "*invited to choose their preferred value from predefined options using a simple online survey*" remains.

Consulting on multiple options for all elements of the tariff would be impracticably complex to carry out, evaluate, and reach meaningful conclusions from, resulting in tariff reviews being a less valuable process.

Conversely, simplifying a survey will encourage more responses, more accurately reflecting the views of the whole trade, and enable officers and Members to reach well-informed

conclusions, whilst the additional 'other' option means that consultees would retain the ability to raise any specific elements not otherwise covered.

Despite this being raised as a point for consideration, and all members of the trade having the ability to submit a request for a tariff review, the last time any element of the tariff other than the flag or yardage was changed was 2012, when the soiling charge was increased and already enables drivers to charge up to £125 for soiling/damage.

3. Who puts forward the amounts consulted upon?

The setting of tariffs and the options for consultation are matters for the licensing authority and as such should be led by them.

The MLTDA have expressed a view that they would wish to see the amounts put forward for consultation, either in consultation with the trade or in line with the current level of inflation since the last increase or decrease to the tariff.

The draft Tariff Review Policy intentionally does not include this since the MLTDA do not represent all drivers and therefore their views may not reflect those of non-MLTDA members, as indeed has been highlighted in the independent consultation responses received.

Consequently, the consultation may become imbalanced if the options being put forward for consultation are already favoured by the local trade association. In addition, the MLTDA could cease to exist at any point.

Whilst committing within a policy document to consult with the MLTDA in this manner is therefore not considered appropriate, it is likely that officers will nevertheless informally engage with them as part of the consultation option setting process.

4. Review of the policy

Officers agree that this policy should be kept under review and support the five-year review period proposed.

5. Current fares

Responses contained mixed views on the appropriateness of the current tariff, with one consultee stating that in their opinion, the fare is too high.

In response to this, officers would highlight that the current tariffs set by Medway Council reflect the maximum that can be charged; drivers are free to charge any value less than that shown on the face of the meter at the end of a journey if they so wish.

For Member awareness, Medway, jointly with Gravesham, has the 5th highest two-mile journey costs across Kent and Medway at £8.20, whilst Medway has the 2nd highest two-mile journey cost amongst its 15 Chartered Institute of Public Finance and Accountancy (CIPFA) nearest neighbour authorities.