

Business Support and Digital Overview and Scrutiny Committee

19 June 2025

Taxi Tariff Review Policy

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

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Summary

The purpose of this report is to present the responses to the consultation and further engagement for the Taxi Tariff Review Policy.

1. Recommendation

- 1.1. The Committee note the responses received during the consultation, officer's associated comments and the outcome of the requested further engagement with regard to the draft Taxi Tariff Review Policy.
- 1.2. The Committee is asked to consider the Taxi Tariff Review Policy and submit comments to Cabinet.
- 1.3. The Committee is asked to note the proposed minor amendment to the Hackney Carriage and Private Hire Policy 2021-2026, to reflect the introduction of the Taxi Tariff Review Policy.
- 1.4. The Committee is asked to consider amendments to the Hackney Carriage and Private Hire Policy and submit comments to Cabinet.

2. Budget and policy framework

- 2.1. Approval of the Taxi Tarriff Review Policy is an executive function, therefore, this Policy will be submitted to the Cabinet on 8 July 2025 for consideration and approval. Similarly, any amendment to the Hackney Carriage and Private Hire Policy is also a matter for the Cabinet.
- 2.2. The Hackney Carriage and Private Hire Policy 2021-2026 states:
 - 8.1.2 Medway Council will review the tariff when a bona-fide proposal is received.

2.3. If the Taxi Tariff Review Policy is approved, this will need to be amended.

2.4. It is proposed to change this paragraph to:

8.1.2 Medway Council will review the tariff in line with their Taxi Tariff Review Policy.

3. Background

3.1. 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.”

3.2. The above means that it is at the discretion of the Council, as licensing authority, to set a tariff for licensed hackney carriages operating within the borough.

3.3. 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.

3.4. 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.

3.5. On 10 December 2024 a draft Taxi Tariff Review Policy was presented to the Licensing and Safety Committee requesting approval to carry out a consultation with the licensed trade. This was duly granted and the consultation carried out.

3.6. On 20 February a report was brought to the Licensing and Safety Committee, detailing the outcome of the consultation. The Committee deferred the decision on the policy to allow for further engagement.

3.7. Following the meeting held between Licensing and the MLTDA (Medway Licensed Taxi Drivers Association) chair and vice-chair, the draft Taxi Tariff Review Policy was amended. A brief explanation of each change can be found below:

3.7.1. Addition of an ‘Emergency Review’ process. Should there be an unforeseen financial burden on the trade, they can request an interim review by submitting a written request supported by more than 50% of the trade.

3.7.2. Inclusion of the other elements of the tariff on a rotational basis. Each review will look at the flag, yardage and one other element.

4. Options

4.1. The Committee recommend approval of the updated draft Taxi Tariff Review Policy as shown at **Appendix A** Cabinet and Full Council; or

4.2. The Committee recommend changes to the Taxi Tariff Review Policy and then recommend approval of the final draft to Cabinet.

4.3. The Committee recommend the changes to the Hackney Carriage and Private Hire Policy 2021-2026 as detailed in paragraphs 2.2-2.4 of this report, for approval by Cabinet..

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, or excessive 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.

5.2. This Committee is advised that a report has been submitted to the Licensing and Safety Committee (16 June 2025), setting out the outcome of a review into taxi licensing. In summary, the report states that whilst Full Council, through the Licensing and Safety Committee and the Licensing Sub-Committee, remains responsible for all decisions to grant or take enforcement action against any individual licence, including vehicle licences, driver licences and operator licences, the setting of policies, including fee and fare setting, is a matter for Cabinet. Therefore, approval of the Taxi Tarriff Review Policy, and the proposed amendment to the Hackney Carriage and Private Hire Policy, will be submitted to Cabinet on 8 July 2025 for consideration and approval.

6. Licensing and Safety Committee

6.1. The Licensing and Safety Committee considered the consultation response and draft policy document at its meeting of 10 April 2025 and an extract from the record of the meeting is below:

Discussion:

The Licensing Manager explained the background to the item and that it had been deferred at the meeting on 20 February 2025 to allow further engagement to take place.

Following further engagement with Medway Licensed Taxi Drivers Association (MLTDA) the policy had been amended to include a process for emergency reviews and inclusion of the other elements of the tariff on a rotational basis.

The Committee agreed to invite Nigel Jackson to speak on behalf of MLTDA. Mr Jackson informed the Committee that the issue of bi-annual reviews had been addressed by the addition of the emergency review process. Mr Jackson explained that there was some concern about the requirement of the support of 50% of the entire trade to trigger an emergency review as it would be difficult to contact all drivers as some were not actively working or worked elsewhere.

The Committee discussed the minimum required number of drivers to trigger an emergency review and the intention of the policy and concluded that 50% of the entire trade was too high and needed to be amended.

The Committee agreed that the minimum number of drivers required to trigger an emergency review should be amended to 100 drivers and that the Committee should be able to review the requirements for emergency reviews if this proved to be problematic.

Decision:

- a) The Committee noted the responses received during the consultation, officer's associated comments and the outcome of the requested further engagement.
- b) The Committee proposed that the minimum number of drivers to request an emergency review be amended from 50% of the entire trade to 100 drivers and that the Committee would have the opportunity to review the requirements for emergency reviews if they became problematic and officers agreed to amend the policy accordingly.
- c) The Committee recommended approval of the amended draft Taxi Tariff Review Policy to Business Support and Digital Overview and Scrutiny Committee, Cabinet and Council.
- d) The Committee noted the proposed minor amendment to the Hackney Carriage and Private Hire Policy 2021-2026, to reflect the introduction of the Taxi Tariff Review Policy.
- e) The Committee recommended approval to amend the Hackney Carriage and Private Hire Policy to Business Support and Digital Overview and Scrutiny Committee, Cabinet and Council.

7. Risk management

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

8. Consultation

- 8.1. The six-week consultation with the licensed hackney carriage and private hire trade commenced on 16 December 2024 and ended on 26 January 2025.
- 8.2. The consultation email went out to 472 drivers, directly from Licensing.
- 8.3. We received 4 responses from individual drivers.
- 8.4. These responses can be found at **Appendix B**.
- 8.5. The MLTDA have confirmed the following:
 - 8.5.1. The MLTDA team have had many conversations with drivers when out and about and these conversations influenced the questions that were circulated in a survey.
 - 8.5.2. They sent a questionnaire out to 97 drivers. They have more members, but several emails bounced back.
 - 8.5.3. They received 58 responses to assist them in compiling their response.
 - 8.5.4. The results of the survey and the formal response can be found at **Appendix C**.
 - 8.5.5. The licensing authority have provided comments for consideration in relation to the responses received during the consultation. These can be found at **Appendix D**.

9. Climate change implications

- 9.1. There are no climate change implications.

10. Financial implications

- 10.1. 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. The implementation of this policy will cause an increase in advertising which will come from licensing's public advertising budget line.

11. Legal implications

- 11.1. There is no legal requirement for a policy.

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Appendices

Appendix A – Draft Taxi Tariff Review Policy.
Appendix B – Consultation responses from individuals
Appendix C – Consultation response from the MLTDA
Appendix D – Officer comments
Appendix E – DIA

Background papers

None