

Cabinet

21 October 2025

Review of the Taxi Tariff

Portfolio Holder: Councillor Alex Paterson, Portfolio Holder for Community Safety, Highways and Enforcement

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

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Summary

The purpose of this report is to present the consultation results for the review of the taxi tariff in line with the Taxi Tariff Review Policy and for Cabinet to approve a new taxi tariff.

1. Recommendations

- 1.1. The Cabinet is requested to approve the integration of the Christmas and New Year tariffs into the tariff card.
- 1.2. The Cabinet is requested to review the responses and comments to the trade consultation, consider if there should be any amendments to the tariff card, in view of the preferences reflected in the consultation responses, as set out at 6.3 to the report and, if so, to what extent.
- 1.3. The Cabinet is requested to approve for any changes to the taxi tariff to be publicly advertised and, if there are no objections, implemented.
- 1.4. The Cabinet is requested to agree to delegate authority to the Assistant Director, Legal and Governance, in consultation with the Portfolio Holder for Community Safety, Highways and Enforcement, to consider any objections received and make any final decisions.

2. Suggested reasons for decisions

- 2.1. Approval of the recommendations will enable any revisions to the tariff to be advertised as prescribed in legislation. If no objections are received during this period, the tariff will take effect.
- 2.2. There is a quick turnaround, once the advertising has ended, to ensure that the trade can get their meters updated for Christmas. We are therefore asking that any objections be considered by the Assistant Director and in consultation with the Portfolio Holder.

3. Budget and policy framework

- 3.1. Approval of the taxi tariff is an executive function; therefore, this report has been submitted to Cabinet for consideration and approval.
- 3.2. The Taxi Tariff Review Policy provides the consultation methodology for reviewing the taxi tariff, which has been followed.

4. Background

- 4.1. 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'.
- 4.2. The above means that it is at the discretion of the Council, as licensing authority, to set a tariff for licensed taxis operating within the borough.
- 4.3. By fixing the fares, the Council is effectively setting the maximum fare that taxi drivers can charge. Legally, taxi drivers may charge less than this rate but may not charge more.
- 4.4. The setting of fares applies to taxi drivers (hackney carriage) 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.
- 4.5. The current tariff card can be found at Appendix A.
- 4.6. The Christmas and New Year tariffs have previously been reviewed and implemented annually, however over the past 5 years the trade have requested the same tariff rate for these occasions. It is therefore proposed that these are integrated into the tariff card permanently.

5. Options

- 5.1. To approve the integration of the Christmas and New Year tariffs into the tariff card, as shown in Tariff Three of Appendix B.
- 5.2. In relation to the other areas of the tariff card, the options are:
 - 5.2.1. Do nothing. This would mean the tariff wouldn't change, and it would stay as it is until the next bi-annual review in two years.
 - 5.2.2. To amend the flag or the yardage, and/or;
 - 5.2.3. To amend the waiting time.

6. Advice and analysis

- 6.1. Having reviewed the responses to the consultation the preference from those members of the trade who responded is to increase the tariff, either by raising the flag or decreasing the yardage, and by decreasing the waiting time.
- 6.2. The comments from the respondents show the majority have found that their costs have risen significantly over the past few years, due to increased insurance, road tax, maintenance and fuel costs, etc.
- 6.3. If Cabinet wished to amend the tariff in line with the Taxi Tariff Review Policy and the preferences reflected in the consultation responses:
 - 6.3.1. The flag would stay at £4.00.
 - 6.3.2. The yardage would decrease to 155 yards; and
 - 6.3.3. The waiting time would decrease to 34 seconds.
- 6.4. The amount of waiting time on a journey cannot be estimated, however the net effect of implementing the above outlined tariff changes would be to increase the fare on a 2-mile journey (used as a benchmarking standard for taxi tariffs) from £8.00 to £8.40.
- 6.5. Based on the national Hackney Carriage fare tables for two mile journeys, published by Private Hire and Taxi monthly, increasing Medway's two mile journey cost from £8.00 to £8.40 would move them from being joint sixth most expensive in Kent and Medway to fourth.
- 6.6. Similarly, Medway's two mile journey cost would move them from having the third most expensive to second most expensive in their Chartered Institute of Public Finance and Accountancy group.
- 6.7. Further details of both league tables can be found at Appendix E.

7. Risk management

- 7.1. An unreasonably expensive tariff could be a source of resentment amongst the travelling public and/or impede their ability/choice to use locally licenced taxis.
- 7.2. 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 and/or see them choosing to find alternative employment.

8. Consultation

- 8.1. The four-week consultation with the licensed hackney carriage and private hire trade commenced on 22 July 2025 and ended on 19 August 2025.
- 8.2. The consultation email went out to 458 drivers, directly from Licensing.

- 8.3. 173 responses were received, however, upon review, it was noted that some consultees responded multiple times. Where this is the case, only the last response has been accepted in order to ensure fairness whilst allowing for any reconsiderations.
- 8.4. After removing the duplicates, 142 valid responses to the consultation were received, representing 31% of the 458 drivers consulted.
- 8.4.1. 119 responses were from Hackney Carriage Drivers, and
- 8.4.2. 23 responses were from Private Hire Drivers.
- 8.5. In line with the taxi tariff review policy, the form allowed each driver to choose to vary either the flag or the yardage, and then also the waiting time.
- 8.6. Out of the 142 responses, 115 (81%) want to vary an aspect of the tariff, either by changing the flag or yardage, and/or waiting time, whilst the remaining 27 (19%) want the tariff to remain unchanged.
- 8.7. 'The flag' is the amount shown on the meter at the start of a journey and therefore the minimum fare payable. The current flag is £4.00.
- 8.7.1. 15 (13%) of the 115 drivers in favour of a tariff change, want to change the flag.
- 8.7.2. All 15 said they would want to see it increase, with the preference (73%) being to increase it to £4.60.
- 8.7.3. 'The yardage' dictates the rate at which the fare increases with distance. The fare currently increases by 20p every 170 yards. Reducing the yardage means the fare increases more quickly over distance, thereby increasing the fare. Conversely, increasing the yardage means the fare increase more slowly over distance, thereby reducing the fare.
- 8.7.4. 92 (80%) of the 115 drivers in favour of a tariff change, want to change the yardage.
- 8.7.5. Of those 92, the majority (67%) wanted to decrease the yardage (increase the fare) with the preference (60%) being to decrease it to 155 yards.
- 8.8. The remaining 8 (7%) of the 115 drivers in favour of a tariff change, did not want to vary the flag or the yardage but did still want the waiting time to be changed.
- 8.9. 'The waiting time' dictates the rate at which the fare increases when stationary (after the journey has commenced), e.g. in traffic. The fare currently increases by 20p every 40 seconds of waiting time.
- 8.9.1. 83 (73%) of the 115 drivers in favour of a tariff change, want to change the waiting time. 56 (49%) would like the waiting time to reduce (to increase the fare), whilst 27 (24%) would like the waiting time to increase (to reduce the fare).

8.9.2. Of the 56 drivers in favour of reducing the waiting time, the majority (64%) wanted to reduce it to 34 seconds.

8.9.3. Of the 27 drivers in favour of increasing the waiting time, the majority (78%) wanted to increase it to 42 seconds.

8.10. Full details of the responses can be found at Appendix C.

8.11. As part of the consultation, the trade were asked to provide comments to support their decision. 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 a new tariff will incur a cost for advertising, which will come from Licensing's public advertising budget line.

11. Legal implications

11.1. There are no legal implications.

Lead officer contact

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Appendices

Appendix A – Current tariff card

Appendix B – Draft tariff card

Appendix C – Questions and responses

Appendix D – Comments from respondents

Appendix E – League Tables

Background papers

None