

REGULATORY AND GENERAL PURPOSES COMMITTEE**23 MARCH 2023**

REPORT TITLE	REVIEW OF LICENCE FEES FOR HACKNEY CARRIAGE AND PRIVATE HIRE DRIVERS
REPORT OF	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

The purpose of this report is for the Committee to consider the approval of revised fees in respect of Hackney Carriage and Private Hire Driver Licences.

The Wirral Plan sets out a number of priorities for the council to consider. The content of this report supports the priority of working for a prosperous, inclusive economy - helping businesses to thrive and creating jobs and opportunities for all.

This matter affects all Wards within the Borough.

RECOMMENDATION

The Regulatory and General Purposes Committee is recommended to approve the licence fees in respect of Hackney Carriage and Private Hire Driver Licences as set out in Appendix 2 attached to this report to have effect from 1 April 2023.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATION

- 1.1 A review of the Licensing Budget in respect of the income and expenditure relating to Hackney Carriage and Private Hire licensing functions has identified a significant gap between the income received from the licence fees and the costs associated with the provision of these statutory functions.
- 1.2 The review has identified that not all of the functions currently associated with the application process for Hackney Carriage or Private Hire Driver licences are included in the current application fee. Whilst the current fee does cover the cost of a single appointment with a Licensing Officer it does not take into account the full cost of administering the Knowledge Test, English written and oral tests or Safeguarding training, or officer time providing information to assist a new applicant through the process. The costs incurred in referring an individual where relevant to the Regulatory Panel are also not currently taken into account in the current fee structure.
- 1.3 A Hackney Carriage or Private Hire Driver Licence is normally issued for a period of three years and there are associated administrative costs during this period which are also not being fully recovered.
- 1.4 It is considered that the costs associated with Hackney Carriage Vehicles, Private Hire Vehicles and Private Hire Operator licences at this time are being recovered from the current fees received in respect of these functions. Therefore, there is no current proposal to amend these fees.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee do not approve any amendments to the current licence fees or consider reducing the fees. Neither of these options are considered to be appropriate as this would result in there being an increase in the burden of costs on the Council when there is provision for the Council to recover these costs from licence fees. The fees were last reviewed in March 2019.

3.0 BACKGROUND INFORMATION

- 3.1 The Council is legally entitled to charge such a fee for licences that they consider reasonable with a view to recover the costs of the issue and administration of licences for Hackney Carriage and Private Hire Drivers. The Council may also charge such fees for the grant of vehicle and operators licences as may be resolved from time to time to cover in whole or in part the reasonable cost of carrying out inspections of vehicles, the provision of Hackney Carriage Stands as well as any reasonable administrative or other costs associated with these functions.
- 3.2 The fees for Hackney Carriage and Private Hire licensing functions have previously been reviewed on an annual basis to determine whether the income received from the previous year has been in line with the cost of delivering the service.
- 3.3 Following a review undertaken in March 2019 it was identified that there was no reason to amend the fees as the income received was sufficient to cover the costs

associated with these functions at that time. Due to the unprecedented circumstances of the COVID-19 Pandemic it has not been possible to undertake a meaningful review of these licence fees since that time. The Committee have therefore not amended the level of fees since 2018. The current table of licence fees is attached at Appendix 1 to this report.

- 3.4 The most recent review undertaken in February 2023 has identified that in order to recover the costs of providing the statutory functions in respect of Hackney Carriage and Private Hire Drivers there is a need to increase the fees associated with these functions. The Committee is therefore asked to approve the table of proposed fees set out in Appendix 2 to this report and for these fees to have effect from 1 April 2023.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are cost implications to the Council in undertaking the statutory functions associated with Hackney Carriage and Private Hire Licences.
- 4.2 The cost of providing the statutory functions in respect of Hackney Carriage and Private Hire Licences during the financial year 2022 / 2023 has been calculated as being £358,317.00. The projected income due to be received by the end of this financial year is £302,018. There is therefore a projected gap of £56,299.00 between the income received in respect of these licences and the costs associated with providing these functions.
- 4.3 It has been calculated that should the fees shown in Appendix 2 attached to this report be approved this could generate sufficient income to recover the costs of administering the functions related to Hackney Carriage and Private Hire Driver Licences. It is possible that the required income is not achieved or that it is exceeded. Should there be any excess of income received above the costs incurred by the Licensing Service or should there be a deficit, these factors will be taken into account at the next review.

5.0 LEGAL IMPLICATIONS

- 5.1 Section 53(2) of the Local Government (Miscellaneous Provisions) Act 1976 states that a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.
- 5.2 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 states that a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—

(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

- (b) the reasonable cost of providing hackney carriage stands; and
- (c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are implications to the Council in undertaking this legal duty and this is recognised in the legislation which gives provision for the Council to recover the costs of administering the scheme and to ensure compliance. Should the service not recover the costs of exercising their functions this may result in a reduction in staff resources currently working to full capacity in order to deliver statutory functions.

7.0 RELEVANT RISKS

- 7.1 The current fees are not recovering the costs of the administration and associated costs of providing Hackney Carriage and Private Hire Driver Licences. There is a risk that should this continue to be the case there will be an impact on the delivery of the service through a reduction in staffing levels which could impact on public safety and compliance with the Council's statutory duties. Alternatively the costs of providing the service will have to be further sought from Council tax payers. There is also a risk that an individual may seek to be licensed by another local authority due to an increase in licence fees, however this is not a new factor as licence fees do differ across each local authority depending upon their costs.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 There is no legal requirement to consult upon the proposals set out in this report.

9.0 EQUALITY IMPLICATIONS

- 9.1 This has been reviewed and it is considered that an amendment to the fees for Hackney Carriage and Private Hire Drivers will have no direct impact on any of the protected groups.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 There are none arising directly from the content of this report.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 There are none arising directly from the content of this report.

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APPENDICES

Appendix 1 – Current table of licence fees

Appendix 2 – Proposed amendments to Hackney Carriage and Private Hire Driver Licence Fees

BACKGROUND PAPERS

Local Government (Miscellaneous Provisions) Act 1976

Open for Business – Local Government Association Guidance on locally set licence fees

Licensing Budget Monitoring Report January 2023

TERMS OF REFERENCE

This report is being considered by the Regulatory and General Purposes Committee which has delegated authority to determine such matters in accordance with Section 8.2 of the Regulatory and General Purposes Committee's Terms of Reference set out in the constitution.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Licensing Health and Safety and General Purposes Committee	20 March 2019