

Non-Statutory Licensing Committee

20 March 2019

Report title	Review of Fees and Charges for Hackney Carriage and Private Hire Licensing functions for 2019-2020	
Wards affected	All	
Accountable director	Ross Cook, Service Director of City Environment	
Originating service	Licensing Services	
Accountable employee(s)	Chris Howell	Licensing Manager
	Tel	01902 554554
	Email	chris.howell@wolverhampton.gov.uk
Report to be/has been considered by	None	

Recommendations for decision:

The Non-Statutory Licensing Committee is recommended to:

1. Approve the proposed fees and charges for Hackney Carriage and Private Hire Vehicle Drivers as set out in Appendix 1 with effect from 1 May 2019.
2. Approve the proposed fees and charges for Hackney Carriage and Private Hire Vehicles as set out in Appendix 2 with effect from 1 May 2019.
3. Approve the introduction of a two years badge for Hackney Carriage and Private Hire Vehicle Drivers.

Recommendations for noting:

The Non-Statutory Licensing Committee is asked to:

1. Note the working fund transfer to the reserve.

1.0 Purpose

- 1.1 To approve the proposed fees and charges for licences relating to hackney carriages, private hire vehicles, drivers, private hire vehicle operators and council approved VOSA testing stations for 2019-2020

2.0 Background

- 2.1 The Council is empowered by statute to levy fees and charges in respect of licences for hackney carriages, private hire vehicles, drivers and their operators. The fees charged must be reasonable in relation to costs incurred in the issue, administration and enforcement of such licences. Council policy is that fees and charges should be reviewed annually and reflect the cost of providing the service.
- 2.2 City of Wolverhampton Council has significantly increased staff numbers to cope with the unprecedented growth in the number of private hire licenses. This has seen the numbers of employees increase from 11 full time employees in 2014 to the current structure of 60 full time employees.
- 2.3 Counsel opinion has been sought on proposals requested from the trade and a desire from the Council for reducing fees, in order to encourage the uptake, for hybrid, ultra low emission and wheelchair accessible vehicles. The advice from Counsel is that this practice would not be permissible as the reduced fees would effectively be a subsidy funded by those paying the full fee.

3.0 Proposals for 2019-2020 Driver fees

- 3.1 In September 2016 the online platform for new driver applications was launched, this was followed closely by new vehicle applications. Further development has enabled the renewal applications for drivers and vehicles to be made online. The online platform together with the council's business friendly approach has resulted in a large increase in the number of applications received and processed by Licensing Officers.
- 3.2 The Local Government (Miscellaneous Provisions) Act 1976 Section 53 refers to the driver licence fees and states that the fee must be based on the cost of issue and administration of a driver licence. This includes staffing, accommodation, stationery and other such associated costs.
- 3.3 In 2017-2018 there was a surplus income for licensed driver and vehicles of £845,000. This was placed in the licensing reserve account which gave a surplus reserve balance of £904,000. Income generated in the year 2018-2019 has negated the need to dip into the reserve fund.
- 3.4 The 2017-2018 income from Taxi and private hire licensing was £2.4million. On advice from Counsel it is proposed to carry forward a surplus of 25% of the income to maintain a working fund, this equates to £600,000.

This enables £304,000 to be used to reduce fees for the coming year.

- 3.5 The income split for drivers and vehicles is 40% driver generated. It is proposed that the excess driver income be used to reduce the cost of a driver application:

	No. Licensed as of 1 January 2019	Reserve amount drivers £	Proposed reduction: Reserve / No licensed (rounded up)
Driver	12,237	£ 121,600	£ 10

This reduction is carried through to the three years licences.

- 3.6 Online application facilities for dual applications have not yet been made available. Therefore, the savings made from streamlining application processes has not yet been achieved for dual driver licences, it is therefore proposed not to amend these types of fee.
- 3.7 On 8 February 2017 the Licensing Committee approved the introduction of a fast track option, at an additional fee, for anyone wishing to fast track a new/renewal driver application. This has proved very popular especially for drivers who forget to submit their renewal on time and could potentially be off the road for a period of time. This service is delivered outside normal office hours.
- 3.8 The £100 fee reflects additional costs incurred i.e. opening of the Civic Centre outside normal working hours, associated accommodation costs, staff overtime and all on costs. It is not proposed to change this fee.
- 3.9 The cost of new and third year Disclosure and Barring Service (DBS) checks are not covered by this report as they are determined by Disclosure and Barring Service (DBS) and our external providers.
- 3.10 Worcestershire County Council in partnership with Wolverhampton City Council have delivered the existing Driver Training Scheme for new hackney carriage and private hire vehicle driver applicants since 2008.
- 3.11 On 22 July 2015 the Licensing Committee approved and endorsed a revised driver training programme for hackney carriage and private hire vehicle driver applicants.
- 3.12 The training has been continuously rebalanced to focus on the safeguarding of children and the role taxi drivers can play in tackling child sexual exploitation issues.
- 3.13 Worcestershire County Council incur all the costs associated with the training and receive all the income from drivers.
- 3.14 On 29 November 2017 the Licensing Committee authorised the introduction of an administrative charge to recover costs for processing immigration requests on behalf of applicants who cannot provide documentation evidencing their right to work in the UK.

The administrative charge commenced 1 January 2018 and it is not proposed to amend this charge.

- 3.15 Drivers who apply to Wolverhampton are initially issued a one year driver licence. At the time of application, they are required to undergo an enhanced dis-barring service (DBS) check and agree a three-year DVLA mandate for checks to be made on their driving licence. After the initial one year licence they are then able to apply for a three year driver licence, but must then complete another DBS and DVLA mandate to cover their three year licence period. This is an additional and unnecessary cost burden for the drivers. To enable drivers to obtain maximum value from their original DBS and DVLA mandate, it is proposed to introduce a two year licence so the DBS, DVLA and driver licence can all run concurrently.
- 3.16 If this proposal is approved, it will not be implemented immediately as there will be significant changes required to the online application system.
- 3.17 A low entry fee for applicants in receipt of Jobseekers allowance was introduced to enable and encourage people into work. The full application fee has been substantially reduced since this low entry fee was introduced and there has not been a 'Jobseeker' application for more than three years. It is therefore proposed to remove this option from the fees and charges.
- 3.18 The proposed fees and charges for Hackney Carriage and Private Hire Vehicle Drivers for 2019-2020 is set out in Appendix 1

4.0 Proposals for 2019-2020 Vehicle and Operator Fees

- 4.1 The proposals for 2019-2020 have been developed in accordance with Council policy and the desire to minimise costs to the private hire and hackney carriage trade whilst ensuring that public safety is not compromised and the vehicle licensing function operates on a cost neutral basis.
- 4.2 The Local Government (Miscellaneous Provisions) Act 1976 Section 70 refers to the vehicle and operator licence fees and states that the fee must cover:
- 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;
 - the reasonable cost of providing hackney carriage stands; and
 - any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles
- 4.3 The 2017-2018 income from Taxi and private hire licensing was £2.4million. On advice from Counsel it is proposed to carry forward a surplus of 25% of the income to maintain a working fund, £600,000.

This enables £304,000 to be used to reduce fees for the coming year.

- 4.4 The income split for drivers and vehicles is 60% vehicle generated. It is proposed that the excess vehicle income be used to reduce the cost of a vehicle application:

	No. Licensed as of 1 January 2019	Reserve amount drivers	Proposed reduction: Reserve / No licensed (rounded up)
Vehicle	8,417	£ 182,400	£ 22

- 4.5 Processing of dual licence applications is not yet available online, it is therefore not proposed to amend this category of fee.
- 4.6 The fees for vehicles over ten years of age are not proposed to change. This is to encourage younger, environmentally cleaner vehicles onto the fleet.
- 4.7 On 8 February 2016 the Licensing Committee approved the introduction of a fast track option, at an additional fee, for anyone wishing to fast track a new/renewal vehicle application. This service has benefited the trade significantly by allowing new/renewal vehicles to be licensed within one working day. This service is delivered outside normal office hours.
- 4.8 The £180 fee reflects additional costs incurred i.e. opening of the Culwell Street outside normal working hours, associated accommodation costs, staff overtime and all on costs. It is not proposed to change this fee.
- 4.9 It is proposed not to amend the fees for Operators.
- 4.10 The proposed charges for 2019-2020 are detailed at Appendix 2 to this report.

5.0 Financial implications

- 5.1 Should the Licensing Committee agree with the recommendations in this report it is anticipated that overall income from the proposed fees and charges in Appendices 1 and 2 will cover the estimated cost of providing the service. [MK/12032019/E]

6.0 Legal implications

- 6.1 Section 53 of the Local Government (Miscellaneous Provisions) Act 1976 deals with drivers' licences for hackney carriage and private hire vehicles. It permits the Council to recover such a fee as they consider reasonable with a view to recovering the costs of issue and administration.
- 6.1 Section 70 of the 1976 Act provides that a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them to cover the cost of providing stands and reasonable administrative or other costs in connection with the control and supervision of hackney carriage and private hire vehicles.

Section 70 goes on to provide that public notice of new charges in relation to operators and vehicles is required to be given in a local newspaper. The closing date for the receipt of objections must not be less than 28 days after the date of publication. Should objections be received, consideration must be given to them, and another date for implementation may have to be specified. Any objections received will be reported to the Committee for consideration. However, if there are no objections, the new charges will come into effect on the 1 May 2019.

- 6.2 The fees charged must be reasonable in relation to costs incurred in the issue, administration and enforcement of such licences. [SH/06032019/A]

7.0 Equalities implications

- 7.1 There are no direct equalities implications arising from this report.

8.0 Environmental implications

- 8.1 There are no direct environmental implications arising from this report.

9.0 Schedule of background papers

- 9.1 Licensing Committee - 16 January 2013 - Fees and charges for hackney carriage and private hire licensing functions 2013-2014.

Licensing Committee - 26 February 2014 - Fees and charges for hackney carriage and private hire licensing functions 2014-2015.

Licensing Committee - 21 January 2015 - Fees and charges for hackney carriage and private hire licensing functions 2015-2016.

Licensing Committee – 22 July 2015 – Revisions to hackney carriage and private hire vehicle, driver and operator criteria.

Licensing Committee – 20 January 2016 – Fees and charges for hackney carriage and private hire licensing functions 2016-2017.

Licensing Committee – 8 February 2017 – Review of Fees and Charges for Hackney Carriage and Private Hire Licensing functions for 2017-2018.

Licensing Committee – 29 November 2017 - Hackney Carriage and Private Hire Vehicle Driver's and Operator's Right to Work Checks

Licensing Committee – 24 January 2018 - Review of Fees and Charges for Hackney Carriage and Private Hire Licensing functions for 2018-2019.