

# Non-Statutory Licensing Committee

22 January 2020

<b>Report title</b>	Review of Fees and Charges for Hackney Carriage and Private Hire Licensing functions for 2020-2021	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Ross Cook, Director of City Environment	
<b>Originating service</b>	Licensing Services	
<b>Accountable employee(s)</b>	Chris Howell	Licensing Manager
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<b>Report to be/has been considered by</b>	None	

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## 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 April 2020.
2. Approve the proposed fees and charges for Hackney Carriage and Private Hire Vehicles as set out in Appendix 2 with effect from 1 April 2020.
3. Approve the proposed fees and charges for Private Hire Operators as set out in Appendix 2 with effect from 1 April 2020

## Recommendations for noting:

The Non-Statutory Licensing Committee is asked to:

1. Note the working fund reserve.
2. Note the comprehensive checks undertaken on the National Register of Taxi and Private Hire revocation and refusals.

## **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 2020-2021

## **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 continued 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 67 full time employees.

## **3.0 National register of refusals and revocations**

- 3.1 The national register of refusals and revocations of hackney carriage and private hire vehicle driver's licences is an initiative launched in 2019 by the Local Government Association (LGA). The database is hosted by the National Anti-Fraud Network (NAFN) and is known as NR3. It contains basic details of drivers who have either been refused a licence or had their licence revoked. More detailed information of NR3 is published on the council's website [ <https://www.wolverhampton.gov.uk/licences/taxi-licences/nr3-national-register-refusals-and-revocations> ]
- 3.2 All applicants for a hackney carriage, dual or private hire vehicle driving licence are checked against NR3 as part of the application process. Due to the nature of the information held, the security on the database is comprehensive and as such the checks have increased the time taken to process an application. This additional burden is addressed in the application fee proposed for 2020-2021.
- 3.3 All of Wolverhampton's refused and revoked drivers are recorded on the NR3 database but unfortunately, as it is not a statutory requirement to record them, not every council places their records on the database. This is a serious risk to public safety.

## **4.0 Proposals for 2020-2021 Driver fees**

- 4.1 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.

- 4.2 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.
- 4.3 In 2018-2019 there was a surplus income for licensed driver and vehicles of £1,000,000. This was added to the licensing reserve account which gave a provisional balance in the reserve of £1,900,000. £304,000 was used in the period 2019 – 2020 to reduce the fees, as reported to this committee on 20 March 2019. Consequently, the working balance of the reserve for 2019-2020 was £1,600,000.
- 4.4 It is anticipated that increased expenditure this year will result in an overspend against income generated and, as such, will add an additional strain on the reserve. While the exact figure cannot be known at this point in the financial year, estimations indicate that this is not considered a significant risk.
- 4.5 Early in the next financial year, schemes requiring significant resource are timetabled to commence. It is estimated that £600,000 from the reserve will be needed to offset the cost of those schemes. Items include, but are not limited to:
- Increase in the use of vehicle control and supervision operatives who are utilised across the country.
  - CCTV (with ANPR)
  - Significant investment in back office systems improvements
  - Pick-up and drop off scheme.
- 4.6 It is proposed to maintain a working balance in reserve of £1,600,000 which is expected to reduce to £1,000,000 early in 2020. This is in line with Counsel advice on maintaining a 25% working reserve.
- 4.7 To offset the additional administrative burden of checking every applicant against NR3, it is proposed to increase the cost of a new private hire and hackney carriage driver licence by £5.00.
- 4.8 The remaining driver related fees shall remain at the same level as 2019-2020. The proposed fees and charges for Hackney Carriage and Private Hire Vehicle Drivers for 2020-2021 is set out in Appendix 1
- 4.9 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.
- 4.10 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. It is proposed that the fees remain at the current rates.

## **5.0 Proposals for 2019-2020 Vehicle Fees**

- 5.1 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 continues to operate on a cost neutral basis.
- 5.2 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
- 5.3 In 2018-2019 there was a surplus income for licensed driver and vehicles of £1,000,000. This was placed in the licensing reserve account which gave a surplus reserve balance of £1,600,000.
- 5.4 Increases in expenditure have occurred during 2019-2020 which has required £600,000 to be transferred from the reserve to offset the cost. Items include, but are not limited to:
- Increase in the use of vehicle control and supervision operatives who are utilised across the country.
  - Introduction of the NR3 checks for new applicants
  - CCTV (with ANPR)
  - Significant investment in back office systems improvements
- 5.5 On advice from Counsel it is proposed to maintain a working fund surplus of 25% of income, this equates to £1,000,000.
- 5.6 All fees for hackney carriage and private hire vehicles shall remain the same as 2019-2020. The proposed fees and charges for Hackney Carriage and Private Hire Vehicle Licences for 2020-2021 is set out in at Appendix 2.

## **6.0 Proposals for 2019-2020 Operator Fees**

- 6.1 It is proposed to change the method in which Operator fees are applied. The substantial increase in the volume of Operators from across the country has highlighted a significant difference in the Compliance required for the larger operators compared with the smaller operator.

- 6.2 New Operators require a higher level of scrutiny and assistance in achieving compliance in their first year. It is therefore proposed to keep the new one year fee unchanged.
- 6.3 In subsequent years, smaller operators do not require the level of compliance that larger operator still require on an ongoing basis. It is therefore proposed to significantly reduce the fee for operators with less than 4 drivers in the previous year. (Less than 4 drivers will be an ongoing requirement for the period of licence, otherwise a new licence will be required, attracting a new one year fee)
- 6.4 The proposed change for Private Hire Operators licences is set out at Appendix 2. The proposed changes are also set out below:

#### Current Fees

New one year licence	£ 1077
Renewal of licence for one year	£ 785
Renewal of licence for five years	£ 3140

#### Proposed Fees

	Small Operator (4 drivers or less)	Large Operator (More than 4 drivers)
New one year licence	£ 1077	£ 1077
Renewal of licence for one year	£ 150	£ 785
Renewal of licence for five years	£ 500	£ 3140

## 7.0 Financial implications

- 7.1 Should the Non-Statutory 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.
- 7.2 The small operator fee is a new fee and the cost for running this service will be adjusted in the future years. [NC/06012020/W]

## 8.0 Legal implications

- 8.1 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.
- 8.2 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.

- 8.3 The fees charged must be reasonable in relation to costs incurred in the issue, administration and enforcement of such licences. [SH/10012020/E]

## **9.0 Equalities implications**

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

## **10.0 Climate change and environmental implications**

- 10.1 There are no direct climate change and environmental implications arising from this report.

## **11.0 Schedule of background papers**

- 11.1 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.

This report is PUBLIC  
[NOT PROTECTIVELY MARKED]

Licensing Committee – 20 March 2019 - Review of Fees and Charges for Hackney Carriage and Private Hire Licensing functions for 2019-2020.