

CITY OF  
WOLVERHAMPTON  
COUNCIL

# Non-Statutory Licensing Committee

20 January 2021

<b>Report title</b>	Review of Fees and Charges for Hackney Carriage and Private Hire Licensing Functions for 2021-2022	
<b>Wards affected</b>	All wards	
<b>Accountable director</b>	Ross Cook, Director of City Environment	
<b>Originating service</b>	Licensing	
<b>Accountable employee</b>	Greg Bickerdike	Service Lead – Licensing
	Tel	01902 554030
	Email	Greg.Bickerdike@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	None	

---

## Recommendation for decision:

The Non-Statutory Licensing Committee is recommended to:

1. Approve the proposed fees and charges as set out in Appendix 1 with effect from 1 April 2021.

## **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 MOT testing facilities for 2021-2022.

## **2.0 Background**

- 2.1 The Council is empowered by statute to levy fees and charges in respect of licences for Hackney Carriage and Private Hire vehicles, drivers, and Private Hire vehicle operators. The fees charged must be reasonable in relation to costs incurred in the issue, administration and enforcement of such licences.
- 2.2 Council policy is that fees and charges should be reviewed annually and reflect the cost of providing the service; however, a mid-term revision of the fees was approved by the Committee on 27 May 2020. This was to assist licence holders affected by the economic impact of the COVID-19 pandemic.

## **3.0 Proposals for 2021-2022 Hackney Carriage and Private Hire Vehicle Driver Fees**

- 3.1 Section 53 of the Local Government (Miscellaneous Provisions) Act 1976 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.
- 3.2 A project is underway to in-source checking of the DVLA's driving licence records. This is currently undertaken on the driver's behalf by Taxi Plus, a sub-brand of Personnel Checks. Licensing Services is developing a system which will communicate directly with the Driver and Vehicle Licensing Agency (DVLA), saving drivers £24 for three annual licence checks from Taxi Plus. There is a development cost associated with this project, as well as a fee per check paid to DVLA.
- 3.3 A proposal to grant licences to new applicants for three-year driver licences from 1 April 2021 has been considered by the Non-Statutory Licensing Committee on 20 January 2021.
- 3.4 A recommendation from the Department for Transport's 'Statutory Taxi & Private Hire Vehicle Standards' is for licensing authorities to check Disclosure and Barring Service (DBS) records every six months. Licensing Services is developing a system which can conduct weekly checks of DBS records, if the driver subscribes to the DBS Update Service for £13 per year. This will save those that subscribe from paying £55.49 for a new DBS certificate every six months. Over the course of a three-year licence, this would be a cost of £238.45. There is a development cost associated with this project.
- 3.5 On 29 November 2017, Licensing Committee approved a £125 fee for a right to work check for all applicants who do not have the required documentation to prove that they have the right to work in the UK. This charge is to recover the administrative costs involved in conducting an immigration check with the Home Office. Once the applicant

has been registered on the system, it is less time consuming for a check to be conducted a second time. As such, it is proposed that the fee for renewing licence holders is reduced to £25.

- 3.6 The mid-term reduction in fees resulted in the use of £342,000 from the working reserve, but it is proposed that the low fees remain in place for 2021-2022. This may result in an overspend and fees may need to increase in the future to prevent a deficit. However, this sustained strain on reserve funds will offer a form of financial support for driver licence holders.
- 3.7 To support existing drivers during the coronavirus pandemic, no increase is proposed to existing driver licence fees. However, it is proposed that the new application fee for a three-year Hackney Carriage or Private Hire Vehicle Driver licence will be set at £120.
- 3.8 It is proposed that renewal Dual Driver licence fees are reduced by £40 to £200 for a three-year renewal. This will achieve price parity with renewing a Hackney Carriage Driver licence and Private Hire Vehicle Driver licence individually.
- 3.9 It is proposed that two-year licence renewals are removed. These were previously available to enable licence holders to coincide their driver licence renewal with their DBS certificate renewal, which were valid for three years. The implementation of the DBS Update Service makes this irrelevant and there will be a saving on administration of the pro-rata refunds of three-year licences that were required to provide this service.
- 3.10 The cost of Disclosure and Barring Service (DBS) checking is not covered by this report as that is determined by the Disclosure and Barring Service (DBS) and our approved provider, Taxi Plus.
- 3.11 Worcestershire County Council, in partnership with City of Wolverhampton Council, has delivered the existing Driver Training Programme for new Hackney Carriage and Private Hire Vehicle Driver licence applicants since 2008. It is proposed that the fees remain at the current rates.
- 3.12 The projects to in-house DBS and DVLA checks is being facilitated by investment into digital systems by Licensing Services. This cost will largely be absorbed by Licensing Services for 2021-2022, however it will almost certainly necessitate an increase in driver licence fees for 2022-2023.
- 3.13 The proposed fees and charges for Hackney Carriage and Private Hire Vehicle Driver licences for 2021-2022 are set out in Appendix 1.

#### **4.0 Proposals for 2021-22 Hackney Carriage and Private Hire Vehicle Fees**

- 4.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 refers to the vehicle and operator licence fees and states that the fee must cover:

- 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.

4.2 The proposals for 2021-22 have been developed in accordance with Council policy; to minimise costs to the trade whilst ensuring that public safety is not compromised and that the vehicle licensing function continues to operate on a cost neutral basis.

4.3 The mid-term reduction in fees resulted in the use of £600,000 from the working reserve, but it is proposed that these low fees remain in place for 2021-2022. This may result in an overspend and vehicle licence fees may need to increase in the future to prevent a deficit. However, this sustained strain on reserve funds will offer a form of financial support for vehicle licence holders.

4.4 All fees for Hackney Carriage and Private Hire vehicles shall remain the same as 2020-2021, following the mid-term review. The proposed fees and charges for Hackney Carriage and Private Hire Vehicle licences for 2021-2022 are set out in Appendix 1.

## **5.0 Proposals for 2021-22 Private Hire Vehicle Operator Fees**

5.1 All fees for Private Hire Vehicle Operators shall remain the same as 2020-2021, following the mid-term review. The proposed fees for Private Hire Vehicle Operator licences for 2021-2022 are set out in at Appendix 1.

## **6.0 Proposals for Hackney Carriage and Private Hire Vehicle Testing Facilities**

6.1 The fee for applying to become a Council-approved Ministry of Transport (MOT) testing station shall remain the same as 2020-2021, following the mid-term review. The proposed fee is set out in at Appendix 1.

## **7.0 Financial implications**

7.1 The coronavirus pandemic means that the taxi industry is in an unprecedented situation. The long-term effect is not yet clear and it is not possible to accurately predict whether the fees and charges proposed will cover the cost of the service. The fees proposed may result in an overspend. Fees may need to increase in the future to balance this deficit. However, this sustained strain on reserve funds will offer a form of financial support for licence holders during the pandemic.

7.2 The option to purchase a three-year licence for £120 will likely result in a loss of income. Whereas previously new applicants would have paid £144 for three one-year licences, or £139 for a one-year followed by a two-year licence, the fee for a three-year licence is proposed at £120. Any loss can be temporarily absorbed by Licensing Services using reserve funding and rebalanced with a future increase in fees.

- 7.3 The projects to in-house DBS and DVLA checks is being facilitated by investment into digital systems by Licensing Services. This cost will be absorbed by Licensing Services for 2021-2022, however it will almost certainly necessitate an increase in driver licence fees for 2022-2023.
- 7.4 The mid-term reduction in fees has resulted in the use of £942,000 from the working reserve, but it is proposed that these low fees remain in place for 2021-2022. This may result in an overspend to be funded by the reserve and vehicle licence fees may need to increase in the future to prevent a deficit. However, this sustained strain on reserve funds will offer a form of financial support for vehicle and driver licence holders.
- 7.5 The implications on both revenue costs and the reserve will be monitored as part of the council's routine quarterly financial monitoring. [SB/12012021/D]

## **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.
- 8.3 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 April 2021.
- 8.4 The fees charged must be reasonable in relation to costs incurred in the issue, administration and enforcement of such licences. [SH/06012021/A]

## **9.0 Equalities implications**

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

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

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

## **11.0 Human Resources implications**

- 11.1 There are no Human Resources implications arising from this report.

## **12.0 Corporate Landlord implications**

12.1 There are no Corporate Landlord implications arising from this report.

## **13.0 Covid Implications**

13.1 There are no Covid implications arising from the recommendations of this report.

## **14.0 Schedule of background papers**

14.1 Licensing Committee - 16 January 2013 - Fees and charges for Hackney Carriage and Private Hire licensing functions 2013-2014

14.2 Licensing Committee - 26 February 2014 - Fees and charges for Hackney Carriage and Private Hire licensing functions 2014-2015

14.3 Licensing Committee - 21 January 2015 - Fees and charges for Hackney Carriage and Private Hire licensing functions 2015-2016

14.4 Licensing Committee – 22 July 2015 – Revisions to Hackney Carriage and Private Hire vehicle, driver and operator criteria

14.5 Licensing Committee – 20 January 2016 – Fees and charges for Hackney Carriage and Private Hire licensing functions 2016-2017

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

14.7 Licensing Committee – 29 November 2017 - Hackney Carriage and Private Hire Vehicle Drivers' and Operators' Right to Work Immigration Checks

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

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

14.10 Non-Statutory Licensing Committee - 22 January 2020 - Review of Fees and Charges for Hackney Carriage and Private Hire Licensing functions for 2020-2021

14.11 Non-Statutory Licensing Committee - 27 May 2020 - Revision of fees for Hackney Carriage and Private Hire Licensing functions for 2020-2021

14.12 Non-Statutory Licensing Committee - 9 September 2020 - Statutory Taxi & Private Hire Vehicle Standards

14.13 Non-Statutory Licensing Committee - 20 September 2020 - Statutory Taxi & Private Hire Vehicle Standards Consultation Response and Recommendations

## **15.0 Appendices**

### 15.1 Appendix 1 - Proposed Fees and Charges for Hackney Carriage and Private Hire Licences 2021-2022