

CITY OF
WOLVERHAMPTON
COUNCIL

Regulatory Committee

16 March 2022

Report title	Review of Fees and Charges for Hackney Carriage and Private Hire Licensing Functions for 2022-2023	
Wards affected	All wards	
Accountable director	John Roseblade, Director of City Housing and Environment	
Originating service	Licensing	
Accountable employee	Greg Bickerdike	Licensing Manager
	Tel	01902 554030
	Email	Greg.Bickerdike@wolverhampton.gov.uk
Report to be/has been considered by	None	

Recommendation for decision:

The Regulatory Committee is recommended to:

1. Approve the proposed fees and charges as set out in Appendix 1 with effect from 1 April 2022.

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 2022-2023.

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.

3.0 Proposals for 2022-2023 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 From 4 April 2022, licensing authorities must carry out certain checks on applications from individuals, companies and any type of partnership to make sure they are aware of their tax responsibilities or have completed a tax check. This will apply to driver and vehicle operator licences.
- 3.3 Checks will need to be undertaken to verify that new applicants are aware of their tax responsibilities. A tax check will need to be undertaken on existing drivers renewing their licence.
- 3.4 The Licensed Private Hire Car Association (LPHCA) estimates the industry is short of 160,000 of the previously 300,000-strong workforce, indicating that more than half of licensed private hire drivers have not returned to the trade since the pandemic.
- 3.5 This shortage of drivers could increase the risk to those that use licensed transport providers, as they have to wait longer for a driver. This risk is increased further by those waiting during the night time economy.
- 3.6 Therefore, whilst the impact of the coronavirus pandemic has been less compared to last year and further checks will need to be undertaken, to support the trade it is proposed that fees do not increase to ensure that there is not a greater barrier of entry to the industry and provide further financial support to those already in the trade.
- 3.7 To further support the drivers, it is proposed that renewal Dual Driver licence fees are reduced by £25 to £80 for a one-year renewal. This will achieve price parity with renewing a Hackney Carriage Driver licence and Private Hire Vehicle Driver licence

individually for one year. The number of drivers renewing their dual driver licence for one year is currently 34, meaning a reduced income of £850. However, this is expected to be mitigated by the reduced admin work for those drivers should they apply for these licences separately.

3.8 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.

3.9 The proposed fees and charges for Hackney Carriage and Private Hire Vehicle Driver licences for 2022-2023 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 2022-23 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 All fees for Hackney Carriage and Private Hire vehicles shall remain the same as 2021-2022. The proposed fees and charges for Hackney Carriage and Private Hire Vehicle licences for 2022-2023 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 2021-2022. The proposed fees for Private Hire Vehicle Operator licences for 2022-2023 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 2021-2022, following the mid-term review. The proposed fee is set out in at Appendix 1.

7.0 Proposals for Offsite Private Hire Vehicle Inspections

- 7.1 In pursuit of excellent customer service, ad-hoc requests by Private Hire Vehicle Operators for vehicle inspections at bases outside of Wolverhampton have been granted. This has many benefits, predominantly convenience, time saving and greatly reduced fuel costs. Conducting appointments offsite can also free up appointments onsite for local vehicle proprietors.
- 7.2 Private Hire Vehicle Operators have welcomed this service and demand is growing. This report seeks to formalise the charges for offsite private hire vehicle inspections to enable cost recovery. Costs include officer time, subsistence, vehicle costs, mileage, accommodation (where necessary) and administration.
- 7.3 A 2016 Toyota Prius is a typical Private Hire Vehicle and has a fuel efficiency of 67.3mpg (14.8mpl) and 78g/km (48.5g/mi) CO₂ emissions. Typical petrol prices are currently £1.48 per litre. The benefits of dispatching officers in one vehicle offsite instead of the vehicles being inspected driving a round trip to Wolverhampton can be seen below:

Vehicles	Distance from Wolverhampton	Total CO ₂ emissions (kg)	Each vehicle's petrol (l)	Each driver's fuel cost	Total fuel cost
20	100 miles	194	13.5	£20	£400
	200 miles	388	27.0	£40	£800
	300 miles	582	40.6	£60	£1,200
40	100 miles	388	13.5	£20	£800
	200 miles	776	27.0	£40	£1,600
	300 miles	1164	40.6	£60	£2,400

- 7.4 The proposed fees are set out in at Appendix 1.

8.0 Mini-bus permits and disc

- 8.1 These were approved by the Regulatory Committee on 19 January 2022 and are included in Appendix 1 for information only.

9.0 Reserve Management

- 9.1 Licensing Services would normally look to reduce fees however, these are unprecedented times. Licensing Services planned prudential use of surplus reserve funding in 2021-22, however this was still much lower than expected. There is also ongoing uncertainty over whether losses caused by the pandemic will be fully reimbursed by Government.
- 9.2 It is unknown how significant the resource demand will be to undertake the tax conditionality checks. Whilst additional staff are being recruited to meet demand in

licence applications, it is estimated that the increase in demand due to these checks will not exceed 1 full time equivalent member of staff.

- 9.3 Given the difficulties that licensing authorities are having in processing applications, reducing fees now to an artificially low and unsustainable price may attract 'fee tourists', who apply to Wolverhampton from other areas due to its low fees.
- 9.4 Therefore, it is proposed that a larger than normal surplus be carried over this year, to be addressed next year by reducing fees.

10.0 Financial implications

- 10.1 The dual driver licencing fee reduction for one year renewal has an estimated loss of £850.
- 10.2 The Fees and Charges for offsite Private Hire Vehicle Inspection are formalised in this report. Charging is on a cost recovery basis.
- 10.3 The loss of income for COVID has been claimed but payment has not yet been made.
- 10.4 The Licencing Reserve is currently £1,759,596.
- 10.5 The Licencing Reserve operates as a 3 year rolling average. This is monitored throughout the year. Modelling to support the forecast planned strategy is being undertaken.

[SB/08032022/B]

11.0 Legal implications

- 11.1 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.
- 11.2 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.
- 11.3 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 2022.
- 11.4 The fees charged must be reasonable in relation to costs incurred in the issue, administration and enforcement of such licences.

[DA/07/03/2022/1]

12.0 Equalities implications

12.1 There are no equalities implications arising from this report.

13.0 All other Implications

13.1 Offsite private hire vehicle inspections greatly reduce CO₂ emissions, as those vehicles would have driven to the Council offices at Hickman Avenue. If one vehicle drives to the operator's base instead of 40 vehicles visiting Wolverhampton, that is a 97.5% reduction in journeys.

14.0 Schedule of background papers

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

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

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

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

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

14.6 Non-Statutory Licensing Committee - 20 January 2021 - Review of Fees and Charges for Hackney Carriage and Private Hire Licensing Functions for 2021-2022

15.0 Appendices

15.1 Appendix 1 - Proposed Fees and Charges for Hackney Carriage and Private Hire Licences 2022-2023