

CITY OF
WOLVERHAMPTON
COUNCIL

Regulatory Committee

11 January 2023

Report title	Update of Private Hire Licensing Growth	
Wards affected	All	
Accountable director	John Roseblade, Director of City Housing and Environment	
Originating service	Licensing	
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Report to be/has been considered by	None.	

Recommendation for decision:

The Regulatory Committee is recommended to:

1. Approve the ongoing approach to meeting the demand for private hire driver licences.

1.0 Purpose

- 1.1 To inform the Committee of the national shortage of licensed drivers, the extraordinary demand for private hire driver licences and the procedures in place to prioritise residents of Wolverhampton.
- 1.2 To seek approval of the ongoing approach to tackling the demand for private hire driver licences.

2.0 Background

- 2.1 This report refers exclusively to private hire drivers, not hackney carriage drivers nor dual (hackney carriage and private hire) driver licences. Wolverhampton cannot issue these other licence types to residents of other areas.

3.0 Shortage of drivers

- 3.1 Should an application not meet the Council's standards, it can refuse to grant a licence, but the Council may not legally refuse to accept an application for a private hire driver licence based on an applicant's residence in another local authority area. As such, it is required to process applications from across the country.
- 3.2 Using the Department for Transport's (DfT) 'Taxi and private hire vehicle statistics, England: 2022', the following table on private hire drivers has been collated:

Financial Year	English authorities (excluding London)	English authorities	Change across English authorities (excluding London)	Change across English authorities
2012-13	88,457	155,432	N/A	N/A
2014-15	86,274	164,964	-2,183	9,532
2016-17	100,725	218,437	14,451	53,473
2017-18	111,417	225,062	10,692	6,625
2018-19	121,800	228,577	10,383	3,515
2019-20	123,753	235,345	1,953	6,768
2020-21	114,779	220,127	-8,974	-15,218
2021-22	115,906	215,975	1,127	-4,152

- 3.3 The following should be noted:
- A. There are 322 English licensing authorities in the data.
 - B. DfT data is missing for 2013-14 and 2015-16.
- 3.4 Since the peak of 2019-20, the number of private hire drivers nationally has been in decline. This is causing significant problems for users of licensed vehicles, particularly in

the night-time economy, as the demand is not being met, leading to increased waiting times in city centres across the country. The longer that passengers are left to wait for a vehicle, the more likely that they become a victim of crime.

- 3.5 The national shortage of drivers is believed to have been triggered primarily by the direct and indirect consequences of COVID. Whilst the number of drivers licensed has dropped by 20,000, the actual number of drivers working is difficult to accurately predict and is expected to be far lower. Many drivers left the trade altogether during the lockdown era, some did not renew their licence due to the uncertainty of the industry and others now spend part of their time doing other related work such as food or parcel deliveries.
- 3.6 This has left private hire vehicle operators short of drivers, resulting in many operators applying to Wolverhampton for a licence, as Wolverhampton has access to the largest pool of drivers under the Local Government (Miscellaneous Provisions) Act 1976. Operators licensed under that Act may only use drivers licensed under that Act.
- 3.7 London is an anomaly throughout much of this report as it has its own separate legislation, Private Hire Vehicles (London) Act 1998. Operators licensed in London under that act may not subcontract bookings to operators licensed under the Local Government (Miscellaneous Provisions) Act 1976, nor use drivers licensed under that act. There are only 23 drivers licensed in London, primarily with one operator who makes bookings directly through a Wolverhampton licence. This is relevant, as there is unlikely to be increased demand in applications from in London.

4.0 Increase in demand

- 4.1 There are 286 operators now licensed in Wolverhampton up one-third from 215 a year ago. The number of drivers these operators have vary between operator-drivers (i.e. one) to several thousand.
- 4.2 Using the Department for Transport's (DfT) 'Taxi and private hire vehicle statistics, England: 2022', the following analysis has been undertaken:

Year	PHV drivers	England rank for PHV drivers	Change in PHV drivers	England rank for increase in PHV drivers	% of non-London PHV drivers	% of English PHV drivers	% of non-London growth	% of English growth
2012-13	835	32 nd	N/A	N/A	1%	1%	N/A	N/A
2014-15	852	26 th	+17	71 st	1%	1%	0.3%	0.1%
2016-17	4,989	3 rd	+4,137	2 nd	5%	2%	22.2%	7.2%
2017-18	8,799	2 nd	+3,810	1 st	8%	4%	29.9%	29.9%
2018-19	13,850	2 nd	+5,051	1 st	11%	6%	39.4%	39.4%
2019-20	17,836	2 nd	+3,986	2 nd	14%	8%	44.6%	29.0%

2020-21	16,497	2 nd	-1,339	321 st	14%	7%	N/A	N/A
2021-22	19,317	2 nd	+2,820	1 st	17%	9%	30.4%	30.4%

4.3 The following should be noted:

- A. There are 322 English licensing authorities in the data.
- B. DfT data is missing for 2013-14 and 2015-16.
- C. Statistics for 2020-21 are anomalous due to the uncertainty of COVID on the trade, resulting in drivers not renewing their licences and a lack of new applications.
- D. London's trade contracted in 2017-18, 2018-19, 2020-21 and 2021-22. Therefore, Wolverhampton's share of the national growth is the same.
- E. Wolverhampton's trade contracted in 2020-21, due to the COVID pandemic.

4.4 Since 2017-18, Wolverhampton's net increases to the number of drivers in England has been around a third of England's gain. As such, Wolverhampton is playing an unequivocal role in attracting and increasing the number of private hire drivers in the trade.

5.0 2022-23 Growth

5.0 Because of the shortage of drivers, Wolverhampton has been inundated with applications from across the country, in part due to slow processing times and high fees in their home authority. This has created a backlog of applications.

5.1 The service is struggling to meet demand. As of 15 December 2022, there are 2,634 applications in the queue, which is approximately a two month wait. There are currently 1,924 applications which have been processed but are awaiting information from the applicant. There are 927 drivers who are awaiting a hearing to determine their application.

5.2 Excluding London, the largest increase on record is 5,051 drivers for 2018-19, which was Wolverhampton. This is likely to be broken by Wolverhampton again this financial year; as of 15 December 2022, Wolverhampton has 26,745 drivers, an increase of 7,428.

5.3 Assuming numbers of drivers have increased to pre-pandemic levels, the Council's share of private hire drivers (excluding London) is currently 21.6%, up from 17% in 2021-22. However, given that there are three more months, it is likely that the increase will approach 10,000, which is double the previous largest increase in a single year.

5.4 Excluding London, Wolverhampton's projected growth in drivers this financial year is greater than the growth of all other English licensing authorities combined over any of the last five years.

- 5.5 The Council must cautiously grow the service to meet demand and compliance needs, by balancing the risks of overemployment with poor customer service by a short-staffed service.
- 5.6 The Council has recruited 20 employees into the service this year, to meet this demand. More licensees also leads to more compliance work and more licence reviews, which requires appropriately trained decision makers.
- 5.7 There is a risk that the service will over-expand, as it is impossible to judge when the demand for new licences will plateau.
- 5.8 Due to the cost-of-living crisis, there is likely to be an increase in applications from those who are concerned about job security and wish to obtain a licence as a hedge against redundancy.
- 5.9 There is currently a queue of 5,000 for the driver training programme. This is approximately five months work, including the current two-month backlog. However, there is a risk that as the backlog reduces, demand increases proportionally due to the short waiting times for processing. Once the backlog is cleared, correct and complete applications will be issued for collection the next working day.
- 5.10 To mitigate the risk of over recruitment and potential redundancies, the Council will continue to use agency resource to eliminate the backlog of applications. Agency resources are trained to the same high standard as full time employees, no short cuts are taken. Public safety remains of paramount importance.

6.0 Wolverhampton Licence Holders

- 6.1 The Council prioritises the needs of its local trade to ensure that there are sufficient drivers, particularly for its night-time economy. As such, these applicants are contacted and given priority booking for training. There are dedicated officers in both the vehicle and driver teams who process applications from Wolverhampton residents every day.

7.0 Financial implications

- 7.1 A future paper is to propose the further significant reductions in the fee for private hire licenses. This is due to the surplus generated for existing applicants and this surplus must be used for Licencing purposes.. The service should aim to be cost neutral. However, these reduced fees which will likely be lower than anywhere else in the country, could result in even greater demand for licences from Wolverhampton.
- 7.2 A separate report will be brought to Committee in March 2023 for consideration on reduced licence fees.

[SB/20122022/B]

8.0 Legal implications

- 8.1 There are no legal implications arising from this report.

[AB/12-12-2022/109]

9.0 Equalities implications

9.1 There are no equalities implications arising from this report.

10.0 All other Implications

10.1 There are no other implications

11.0 Schedule of background papers

11.1 Department for Transport's (DfT) 'Taxi and private hire vehicle statistics, England: 2022'. Available at <https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicle-statistics-england-2022/taxi-and-private-hire-vehicle-statistics-england-2022>