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City of Wolverhampton Council  
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Our Ref: DBW / Star Cars  
Your Ref:  
Date: 6 July 2018  
Please ask for: David Wilson

**By email only to:**  
**[chris.howell@wolverhampton.gov.uk](mailto:chris.howell@wolverhampton.gov.uk)**

Dear Mr Howell,

## **Replacement Vehicles Consultation Response of Star Cars and Coaches Limited**

As you are aware, I act on behalf of Star Cars and Coaches Limited (Star Cars) of Office 28, 28 Cleveland Street, Wolverhampton WV1 3HT.

Star Cars is grateful to the Council for undertaking this consultation in relation to the issues that arise in relation to replacement vehicles mid-licence and appreciates that the Council is using its best endeavours, whilst complying with the law, to provide the most efficient and cost-effective service it can to the private hire trade.

As there is no statutory mechanism that clearly defines how the issue of replacement vehicles should be dealt with, Star Cars agrees with the Council that every replacement vehicle should be treated as a new vehicle application, not least because it also allows the proprietor to use the online application process.

Regrettably, Star Cars cannot agree that there should be no off-set or refund of licence fee in respect of the unused period of the original licence, because retention of such funds will lead to the Council accruing a surplus on the private hire vehicle licence account.

That having been said, Star Cars agrees that discounts should not be applied to the fee for a new licence for the replacement vehicle, because that would, it is assumed, prevent the vehicle proprietor from using the online application process.

However, it would appear that there is no reason why a refund should not be processed separately to the new vehicle licence application and paid to the vehicle proprietor by a separate process.

The refund should not, as now, be a full pro rata sum, but should take into account the costs of processing and granting the licence and the costs of processing the refund.

Without knowing the precise breakdown of the fee or the costs of processing refunds, the following figures are used merely to illustrate the approach that Star Cars considers should be applied to paying refunds to vehicle proprietors in respect of the unused period of surrendered private hire vehicle licences.

If £87 of the current licence fee of £207 relates to the costs of processing the application, granting the licence and producing a plate, etc the balance of £120 would relate to the costs of compliance and enforcement for 12 months, which equates to £10 per month.

If the cost of processing a refund was £20 that amount should be deducted from any refund if the refund was greater than £20 and no refund should be paid if the gross refund was £20 or less.

In the circumstances, no refund would be paid in respect of surrendered licences for which there was less than 3 months remaining.

Using these illustrative figures, the process for calculating refunds would be:

- Number of full remaining months x £10 (monthly enforcement cost) = £ Gross Refund
- £ Gross Refund - £20 (cost of refund processing) = £ Net Refund
- If £ Net Refund <= £20 (cost of refund processing) no refund is to be paid

As refunds would be processed separately to the application to license the replacement vehicle, it may be more convenient to the Council to bulk process refunds on a monthly basis, so as to minimise the disruption to the Council's highly efficient processes.

Despite the above counter-suggestion in relation to refunds, I confirm that Star Cars does support this principal proposal and hopes that the Council will proceed with its proposed changes as soon as possible.

Yours sincerely,



**David B Wilson**

Licensing Consultant, Mediator and Trainer  
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