

REPORT TO:		Cabinet	
DATE:		26 March 2025	
PORTFOLIO:		Councillor Melissa Fisher - Deputy Leader of the Council (Housing and Communities)	
REPORT AUTHOR:		Wendy Redfern (Licensing Manager) Craig Haraben (Head of Environmental Services)	
TITLE OF REPORT:		Taxi Testing	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

1.1 To inform Cabinet about the proposal to externalise taxi testing in Hyndburn

2. Recommendations

2.1 That Cabinet notes the report

2.2 That Cabinet, after reading the report, decides whether it wishes to externalise taxi testing in Hyndburn

2.3 That if, after reading the report, Cabinet decides to externalise taxi testing in Hyndburn, it recommends to full Council that taxi testing be externalised and delegates authority to the Council's Licensing Manager, in consultation with the portfolio holder, to draft the proposed new policy for consideration by the Council, such policy to include the Council's criteria for designation as a testing station, the application process, arrangements for standards monitoring and criteria for removal of designation from poorly performing garages.

3. Background

3.1 Provisions within the Local Government (Miscellaneous Provisions) Act 1976 permit district councils to grant licenses to any vehicle proprietor to use the vehicle as a hackney carriage or private hire vehicle.

- 3.2 Under Section 50 of the Local Government (Miscellaneous Provisions) Act 1976 any hackney carriage or private hire vehicle licensed by a district council must present for inspection and testing on no more than three occasions during any one twelve month period. The primary reason for this legislation is to maintain public safety, both in respect of taxi passengers and other road users.
- 3.3 Currently in Hyndburn vehicles up to the age of 2 years when tested will be issued with a 12 month license. Any car over the age of 2 years of age will be required to pass the Councils vehicle examination test twice yearly and will be issued 6 month license each time. When a vehicle reaches 15 years of age it will be subject to the Councils vehicle examination test three times per year and will be issued with a 4 month license each time.
- 3.4 The inspection and testing is currently undertaken by staff employed by the Council and based at the Councils Vehicle Maintenance Unit (CVMU) located on Library Street in Church. The tests are booked via the Councils licensing team.
- 3.5 In addition to the standards required for a class 4 MOT test by the DVSA, the Council has additional supplemental standards which vehicles must pass in order to be licensed by the Council. The supplementary testing manual supplements the Rules, Regulations and Procedures for Hackney Carriage and Private Hire Licensing and has been established so as to ensure that all vehicles licensed by Hyndburn Borough Council are of a high standard and are suitable, safe and fit to be licensed by this authority to transport members of the public. The additional elements of the supplementary testing manual are essential as there are certain criteria that a licensed vehicle must meet over and above the MOT standards. For example, all licensed vehicles must have 4 doors. A vehicle with only 2 doors would not fail an MOT on that criteria, but it would not be suitable to be licensed as a private hire or hackney carriage vehicle.
- 3.6 The Council currently issues a Certificate of Compliance (COC) to all vehicles that have reached the MOT standards as well as those set out in the supplementary testing manual. The COC is a certificate that the DVSA permits only local authority employees to issue when testing at a local authority premises. The COC exempts the licensed vehicle from requiring a class 4 MOT.
- 3.7 If a vehicle fails any part of the class 4 MOT test, including any elements of the supplementary test it will not be issued with a compliance certificate, and will not be licensed until it has fully passed the test.
- 3.8 All re-tests must take place within ten working days of the original test otherwise a full taxi test will be required at the full test taxi fee. Only one re-test is permitted per vehicle, thereafter a full taxi test is required and a full test fee charged
- 3.9 The vehicle is required to be presented in a clean and tidy condition. If the vehicle is not presented in a clean and tidy condition, so that all items can be tested, the test will not go ahead and the vehicle needs to be rebooked in and pay for the test again.

- 3.10 Cabinet proposes to change the current requirement for taxis to be tested at CVMU and to invite local garages located within the Borough of Hyndburn to apply to be on a list of approved sites available to the taxi trade to use for tests.
- 3.11 This proposal would require a change in policy as the private garages are not able to issue a COC. It is envisaged that a private garage will issue an MOT certificate and then carry out a part 2 test to ensure the vehicle complies with the requirements set out in the supplementary testing manual to be licensed.

Objectives

The objectives for this proposed change in policy are:

- 3.12 To provide more choice and flexibility for the taxi trade
- 3.13 To support local garages and bring more business into the Borough
- 3.14 To stimulate competition and potentially get a better value for money service

Information

- 3.15 Should cabinet decide to externalise taxi testing the Council would advertise for garages located within the Borough of Hyndburn, who meet the necessary criteria, to apply to the Council to be on their approved list. The Council would also need to put together a new policy in respect of the arrangement for designation of garages to carry out taxi testing, including reporting and monitoring arrangements and the grounds for removal of designation should the Council be dissatisfied with the performance of a particular garage.
- 3.16 Taxi proprietors would then directly contact the garages on the approved list and book an appointment for the taxi test. Taxi testing would cease at CVMU.
- 3.17 When a vehicle has passed both the MOT and the part 2 test the private garage will send a copy of both certificates to the Councils licensing team who will then issue the license. This is different to the current process and the licensing team would need to review and amend its current administration procedures to facilitate this proposed change. Taxi licensing fees would also need to be reviewed in light of the proposed changes.

4. Alternative Options considered and Reasons for Rejection

- 4.1 Keep the status quo. This would give the Council greater control over the taxi testing process and fees charged. It would also give greater certainty that the necessary standards are being met and applied consistently. However, this approach does not meet the objectives set out in paragraphs 3.12 to 3.14.

5. Consultations

- 5.1 It is usual to undertake a consultation with key stakeholders (in this case the taxi trade, DVSA, Police and the general public) when looking to make a significant change in policy such as the one proposed in this report. Not undertaking a meaningful consultation with stakeholders could leave the Council vulnerable to challenge about the policy change, for example by way of judicial review and cabinet may wish to consider a period of consultation before making a decision in respect of this matter.

6. Implications

Financial implications (including any future financial commitments for the Council)	<p>The Council will lose income generated by taxi tests and while some of this will be offset by not having to employ a member of staff to undertake taxi tests at CVMU, it does leave a shortfall of £16,000 per annum which will need to be budgeted for should taxi testing be externalised.</p> <p>Externalising taxi testing could increase workload and costs for the Licencing Team if the process proves not to be as efficient as dealing with CVMU, potentially requiring additional staff resource.</p>
Legal and human rights implications	<p>The Council is not required by law to carry out taxi testing itself and many other councils have externalised the taxi testing process. When reaching a decision on this matter the Council must act for proper purposes and in good faith. In other words, the Council must act for proper motives, take into account all relevant considerations, and ignore irrelevant matters. It must not act irrationally and must balance the risks against the potential rewards.</p> <p>The Council will need to revise its taxi policy if it decides to externalise taxi testing. This will be a non-executive decision and a further report would need to be presented to Council with the proposed new policy attached. The officer opinion is that there should be a period of consultation in respect of the terms of that new policy prior to the same being presented to Council for final approval so that members can consider stakeholder comments.</p>

Assessment of risk

There is the potential for the costs of taxi tests to increase. Currently the Council only seeks to recover the costs of providing the service and does not make a profit. Private garages will set their own fees and these may be higher than those charges currently.

Hopefully, enough garages will participate in the new arrangement to ensure sufficient testing slots are available for the trade. The Council will not be able to control the testing slots provided by private firms and there is a possibility that waiting times may increase, but this will be monitored.

There is no knowledge, resource or budget within the Council's licencing section to spot check the work of private testing station/s to ensure the Council's supplementary standards are being applied and being applied consistently. Nor would it be possible for licensing staff to monitor testing standards at every private testing station as they do not have the technical or mechanical expertise.

There is a risk that taxi operators, vehicle owners or drivers could be, or become, involved in the ownership or management of garages that carry out taxi testing. This creates the potential for conflicts of interest to arise (for example with operator or vehicle owners being able to test their own vehicles). Designation as a HBC appointed garage would require this to be declared, but the licensing team will have only limited capacity to monitor the position (due both to the time involved and the difficulty of determining ownership and control arrangements in respect of private businesses, especially where these are not registered companies).

There could be a public perception of reduced vehicle safety if the Council was no longer undertaking testing.

These issues would need to be addressed

	<p>through the criteria for appointment as a HBC approved testing station and monitoring arrangements would also need to be put in place. In addition, the new policy would need to set out criteria by which designation can be removed from poorly performing garages.</p>
<p>Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to:</p> <ul style="list-style-type: none"> • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those who share a relevant protected characteristic and those who don't. <p>For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Cabinet in this regard a Customer First Analysis has been carried out as part of the review process and is attached as Appendix 1 to this report. Cabinet is advised to consider the Customer First Analysis and its obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report</p>

**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

7.1 There are no background papers to this report

8. Freedom of Information

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.