

REPORT TO:		Council	
DATE:		25 September 2025	
PORTFOLIO:		Councillor Melissa Fisher - Deputy Leader of the Council (Housing and Communities)	
REPORT AUTHOR:		Licensing Manager on behalf of the Executive Director (Legal and Democratic services) (Ext 2278)	
TITLE OF REPORT:		Rules Regulations and Procedures for Hackney Carriage and Private Hire Licensing – amendment / mechanical testing of hackney carriages and private hire vehicles	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	

## 1. Purpose of Report

- 1.1 To advise members of the outcome of the recent consultation relating to proposed changes to the taxi licensing policy in relation to the mechanical testing of hackney carriages and private hire vehicles, and to seek approval for a change to the Taxi and Private Hire Licensing Policy which will allow mechanical testing to be carried out externally.
- 1.2 Should the decision be made to proceed with the proposed changes, Members are asked for approval of the suggested criteria for a testing station to become approved (see Appendix 1), to approve fees for testing stations to become approved and to approve a maximum number of testing stations in the Borough – the recommendation being 4 or 5.

## 2. Recommendations

- 2.1 Members are asked to determine whether, having considered the consultation responses, they wish to discontinue the mechanical testing of hackney carriages and private hire vehicles by the Council and instead externalise the same;
- 2.2 If members decide to externalise the mechanical testing of hackney carriages and private hire vehicles, then members are asked to:
  - i. agree that the Council will designate up to 5 garages within the Borough as approved testing stations to carry out mechanical testing of hackney carriages and private hire vehicles and that, where possible, those garages will be located in different parts of the Borough;
  - ii. delegate authority to the Executive Director (Legal & Democratic Services) following consultation with the portfolio holder and chair of Judicial Committee, to select and appoint approved testing stations for this purpose (noting that the scheme of delegation to officers will be amended to this effect so that the delegation arrangement will cover the appointment of replacement garages in the event of changes being required in the future);

- iii. approve the revised taxi and private hire licensing policy and supplementary testing manual attached at Appendices 2 and 4 and in particular the criteria for selection as an approval testing station and for removal of designation as an approved testing station attached at Appendix 1
- iv. delegate authority to the Executive Director (Legal & Democratic Services) following consultation with the chair of Judicial Committee, to remove designation as an approved testing station in accordance with the criteria set out in the Council's taxi and private hire licensing policy (noting that the scheme of delegation to officers will be amended to this effect);
- v. delegate authority to the Executive Director (Legal & Democratic Services), following consultation with the chair of Judicial Committee, to suspend designation as an approved testing station to enable an investigation to be carried out where there are reasonable grounds to consider that one or more of the criteria for removal of designation as an approved testing station may have been met (noting that the scheme of delegation to officers will be amended to this effect);
- vi. approve the fees proposed in paragraph 3.11 of the report.

### **3. Reasons for Recommendations and Background**

#### **3.1 Current Position**

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

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.

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 with a 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.

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 Council's licensing team.

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.

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.

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. 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

- 3.2 The overriding aim of any Licensing Authority when carrying out its functions in relation to the licensing of hackney carriage and private hire drivers, vehicles and private hire operators must be the protection of the public.

3.3 **The proposal to externalise**

In March 2025 the Cabinet asked officers to consider ending taxi testing by CVMA and instead outsourcing this activity to a set number of independent testing stations throughout the Borough. This will involve testing stations being invited to apply to become Council approved for the mechanical testing of hackney carriages and private hire vehicles (sometimes referred to generically in this report as “taxis”) and vehicle owners will be able to choose which testing station to use from the list of approved garages. The proposed changes, including criteria the testing station must meet, application procedure, selection procedure and circumstances whereby approved status can be removed will require amendments to the Council’s existing policy for private hire vehicles and hackney carriages.

- 3.4 A public consultation in respect of the proposal took place between 23<sup>rd</sup> June and 14<sup>th</sup> July 2025. The consultation was emailed to all current drivers, vehicle proprietors and operators, plus elected members. The consultation survey was also published on the Council’s website for use by the public. Social media posts were published, inviting both trade and public to participate in the consultation exercise and a press release was published in the local press. The questions asked in the consultation survey are attached at Appendix 3.

- 3.5 There were 130 responses to the consultation. Details of those responding are as follows:

Description of respondent

Member of the public – 100

Taxi / private hire trade – 25

Garage owners – 5

Respondent’s link to Hyndburn

Respondents living in the Borough – 97%

Respondents working in the Borough – 70%

Respondents’ usage of taxi’s / private hire vehicles

Use every week – 32%

Use every month – 22%

Use a few times a year – 30%

Never use – 16%

Some key data from the consultation:

- 69% believe that taxi safety will decrease, 12% thought safety would improve and 17% thought the change would have no effect on safety, whilst 2% have an opinion on what the effect would be
- 58.21% of respondents who identified themselves as taxi trade believe the proposed changes will not be an improvement to current arrangements. However, more respondents answered this question than had identified as taxi trade earlier in the survey (67 responses)
- 59.62% replied that they are not happy with the proposed selection criteria. However, the reasons given suggest that a portion of those respondents were unhappy with the proposal rather than the specific selection criteria.

3.6 The concerns raised about the proposal included the following:

- A large number of the respondents expressed concerns about a drop in the standard of vehicle testing and a resulting decline in taxi safety for the travelling public and other road users; and
- Age number of the respondent's expressed concern about the potential for unscrupulous garages to be involved in taxi testing and that externalisation could be more open to fraud and corruption than the current arrangement; and
- Some of the respondents were concerned the Council would not be able to properly monitor the activities of the approved garages and would therefore have less control over vehicle standards.

3.7 In response to the concerns above, members are asked to note that the DVSA approves all MOT testing stations, and will only approve those it considers to be of a high enough standard to carry out MOT tests. Concerns relating to MOT standards can be referred to the DVSA for review and investigation. The MOT aspect of the test will be the standard MOT that all road vehicles are required to pass. Furthermore, the Council would not be allowing all garages in the Borough to carry out taxi testing, as the proposal envisages that only a limited number of garages will be permitted to undertake taxi testing. These garages will be required to meet the specified criteria and will be subject to ongoing monitoring. If a garage fails to meet the required standards, then its authorisation can be removed. In addition, if externalisation occurs the Council will increase the number of random vehicle checks and safety operations it carries out each year. Also, the taxi / private hire compliance certificate will still be issued, and the garages will be required to carry out the additional testing specified in the Council's supplementary testing manual (Appendix 4).

3.8 Respondents who were in favour of the externalisation of taxi testing gave the following reasons:

- An easier process may entice drivers to return from Wolverhampton.
- The testing will be of the same standard as CVMU.
- They are all professionals who do the same tests.
- It provides opportunities for local garages.
- It will be easier to book a convenient slot when there are multiple garages offering testing.
- It will be cheaper, quicker and easier.

3.9 In relation to Hyndburn's neighbouring authorities, Blackburn and Rossendale carry out internal vehicle testing. Burnley and Pendle allow approved testing stations to carry out testing and Burnley has 3 approved garages, whilst Pendle has 5.

3.10 Should the Council decide to proceed with this proposal, the opportunity to become an authorised garage will be advertised for at least 3 weeks. The opportunity will also be publicised via our social media channels. Once applications are received, the garages will be inspected by Licensing Officers to

ensure that they meet the suggested criteria (Appendix 1). The applications from those garages that pass this stage in the selection process will then be considered by the Executive Director (Legal & Democratic Services), with support from the Licensing Manager, portfolio holder and the chair of Judicial Committee, prior to a determination being made by the Executive Director (Legal & Democratic Services).

- 3.11 There are costs in terms of staff time associated with setting up the arrangement, the application and inspection process, as well as ongoing monitoring and administration costs. The initial set up cost is £92.40 per garage (assuming 5 garages are to be approved). Each application costs £48.60, an inspection costs £145.80 and the ongoing cost per garage is £148.80 per year. The Licensing Manager proposes that fees are charged to each applicant on a staged basis, as follows:

- Application cost - £50
- Inspection Charge (if the garage meets criteria) - £120
- Approval and Set-Up cost (if approved) - £80

Consideration needs to be given as to whether an annual fee should be applied to cover ongoing costs and monitoring and there will be a further report to Council about this in due course. The calculation of costs is included at Appendix 5.

- 3.12 In reaching a decision in respect of this matter members are referred to the following:

Appendix 1 – Proposed selection criteria for approved testing stations

Appendix 2 – Proposed amendment to taxi and private hire policy

Appendix 3 – Consultation Questions

Appendix 4 – Supplementary Testing Manual

Appendix 5 – Fee Calculations

Appendix 6 – Equality impact assessment

#### **4. Alternative Options considered and Reasons for Rejection**

- 4.1 The Council could take no action and continue with the current testing arrangements.

#### **5. Consultations**

- 5.1 A public consultation in respect of the proposal took place between 23<sup>rd</sup> June and 14<sup>th</sup> July 2025. Details are contained in 3.4 – 3.8 and Appendix 3.

#### **6. Implications**

<b>Financial implications (including any future financial commitments for the Council)</b>	<p>The Council will lose income generated by taxi tests. However, this will be offset by not having to employ a member of staff to undertake taxi tests at CVMU.</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. It is not currently anticipated that additional staffing will be required within the Licensing Team, but this will be kept under review, together with all aspects of the new arrangements.</p>
<b>Legal and human rights implications</b>	<p>The Council is not required by law to carry out taxi testing itself and many other councils have externalised the taxi</p>

	<p>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 benefits.</p> <p>The Council will need to revise its taxi and private hire licensing policy if it decides to externalise taxi testing and this is a non-executive decision.</p>
<b>Assessment of risk</b>	<p>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 charged currently, but this will be monitored.</p> <p>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.</p> <p>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 private testing stations as they do not have the technical or mechanical expertise.</p> <p>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 ).</p> <p>There could be a public perception of reduced vehicle safety if the Council was no longer undertaking testing.</p> <p>These risks can be mitigated through the criteria for</p>

	<p>appointment as a HBC approved testing station and the monitoring arrangements to be put in place. The risks can also be mitigated by having criteria and delegation arrangements which enable designation to be removed from poorly performing garages or suspended where there are concerns that require investigation and resolution.</p>
<p><b>Equality and diversity implications</b>  A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</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"> <li>• eliminate unlawful discrimination, harassment and victimisation; and</li> <li>• advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and</li> <li>• foster good relations between those who share a relevant protected characteristic and those who don't.</li> </ul> <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 6 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 *Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.*

Report to Cabinet dated 26<sup>th</sup> March 2025

**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.

