

Regulatory Committee report



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COUNCIL VEHICLE TESTING - TAXI LICENSING SERVICE

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No

Executive Summary

In March 2020 the Council suspended all hackney carriage and private hire in-house vehicle testing due to the Covid-19 pandemic. In accordance with national guidance, licence holders were permitted to keep working as long as they had a valid MOT certificate provided by private firms. In June 2020, due to the financial impact of the pandemic on Council finances, a rapid service review of the Taxi Licensing Service was conducted. The service review concluded that the Council's vehicle testing service at Synergy Park was too expensive and vehicle testing could be successfully provided, without compromising public safety, by local private firms. By allowing local firms to conduct vehicle testing this would:

1. support local businesses (garages) by providing hackney carriage and private hire vehicle testing and potential repair work;
2. reduce inspection costs for vehicle proprietors; and
3. save the Council expenditure by removing Council workshop and associated costs. Council officers therefore recommend that Council in-house vehicle testing be removed and the Council outsourced the testing service to local MOT firms.

1. Recommendations

- 1.1 That the removal of the Council in-house vehicle testing from the Hackney Carriage and Private Hire Licensing Procedures and Conditions (Procedure and Conditions) document and condition all vehicle licence holders to provide one MOT test certificate per year from local MOT firms, as outlined in **Annex A** to the report, be approved.
- 1.1 That Cabinet be recommended to remove Council in-house vehicle testing from the Taxi Policy and allow all licence holders to produce one MOT certificate from local MOT firms per year, as outlined in **Annex B** to the report.

2. Issues

- 2.1 The Taxi Licensing Service (TLS) is based at Synergy Park, Bleak Hall and has two allocated ramps within the workshop area used solely for taxi and private hire vehicle testing. It employs two vehicle examiners, one being part time.
- 2.2 Current Council policy states the TLS must conduct in-house vehicle inspections under Section 50 of the Local Government (Miscellaneous Provisions) Act 1976. The test involves roadworthiness (MOT type testing) and Council condition checks, however, this is not an MOT test as this must be done privately at an additional cost of £54.85 to the licence holder. The cost of each Council test is £61 and vehicle licence holders must have two tests per year. This represents an outlay to drivers of £176.85.
- 2.3 In 2019/20, 2011 vehicle tests were undertaken. The main benefits in retaining Council vehicle testing is the direct control over testing and the annual revenue it generates.
- 2.4 The risks of continuing with Council in-house vehicle testing are:
 - (a) unsustainable workshop, equipment, and vehicle examiner costs. The service is losing £110k per year;
 - (b) the Council is not supporting the local economy by having a monopoly on vehicle testing and preventing local garages from expanding their businesses;
 - (c) Council vehicle test prices are higher than local firms (£61 compared to £54.85);
 - (d) licence holders have to pay for two vehicle tests and one MOT test per year at a total cost of £176.85 (higher than most neighbouring Councils - see **Annex C** to the report); and
 - (e) depreciation cost of new ramp purchased in 2019.

Option 1 - Outsourcing Council vehicle inspections to designated local garages under Section 50

- 2.5 This option would close the vehicle inspection facility at Synergy Park, Bleak Hall and replace it with designated local garages who would undertake the Council's role under Section 50 of the Local Government (Miscellaneous Provisions) Act 1976.
- 2.6 Outsourcing Council vehicle testing (Option 1) would provide the following benefits:
- (a) no workshop and equipment costs to maintain at Synergy Park;
 - (b) no staff vehicle examination costs;
 - (c) designated local garages who could derive additional income from both testing and repairing licensed vehicles found to be at fault;
 - (d) pricing of tests would be subject to local competition; and
 - (e) licence holders would only have to pay for one test per year as taxi/private hire vehicle test would be done in conjunction with an MOT test.

Option 2 - Accepting One MOT certificate per year from any DVLA approved MOT garage (Preferred Option)

- 2.7 This option would close the vehicle inspection facility at Synergy Park, Bleak Hall but would not require a procurement exercise as no contracts would be awarded as licence holders would be free to use any DVLA approved MOT garage.
- 2.8 Since March 2020 the Council has accepted an MOT certificate as proof that a licensed vehicle is roadworthy. Council officers have then checked all MOT certificates and ensured that any further works noted on the MOT are completed in accordance with Council policy and conditions. Should a Council officer have any concern about a vehicle then s/he will suspend a vehicle until all works are completed. This system is successfully used by South Northants and Buckinghamshire Councils with their officers checking Council compliance following an MOT test.
- 2.9 Accepting one MOT certificate (Option 2) would provide the following benefits:
- (a) no workshop and equipment costs to maintain at Synergy Park;
 - (b) no staff vehicle examination costs;

- (c) all local garages could derive additional income from both testing and repairing licensed vehicles found to be at fault;
- (d) licence holders would only have to pay for one MOT test per year (£54.85 compared to current total cost of £176.85) which would be hugely beneficial as current demand for services is down up to 50%;
- (e) additional specialised council enforcement officers would conduct condition and policy checks on vehicles following an MOT and then ongoing daily foot, rank and roadside patrol checks on vehicle safety; and
- (f) attract new applicants from neighbouring Councils and reduce the attrition rate of drivers leaving MKC for other local Councils

3. Options

3.1 That the Committee:

- (a) approve the removal of Council vehicle testing from the Hackney Carriage and Private Hire Licensing Procedures and Conditions document and condition all vehicle licence holders that they must provide one MOT test certificate each year from local MOT firms as outlined in **Annex A**;
- (b) do not approve the removal of Council vehicle testing and leave it unchanged. This is no longer viable due to the Council's current financial position as it may not be able to fund Synergy Park which would create a reputational risk for the Council;
- (c) recommend to Cabinet that it remove Council vehicle testing of hackney carriage and private hire vehicles from the Taxi Policy and allow licence holders to provide one MOT certificate per year from local MOT firms; or
- (d) do not recommend to Cabinet that it remove Council vehicle testing and leave unchanged. This is no longer viable due to the Council's current financial position as it may not be able to fund Synergy Park which would create a reputational risk for the Council. Council officers would still be duty-bound to recommend to Cabinet that in-house Council vehicle testing be removed from Taxi Policy and replaced by local MOT firms providing the service.

4. Implications

4.1 Policy/Procedure document

The Council’s Taxi Policy and Procedure and Conditions document will need to be updated (**Annexes A and B**).

4.2 Resource and Risk

Y	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

The nature of this service means that as taxis and private hire vehicles travel around Milton Keynes it is important that the vehicles are maintained to a high standard to ensure they operate as efficiently as possible.

4.4 Legal

- (a) Section 47(1) of the Local Government (Miscellaneous Provisions) Act 1976 allows the Council to attach conditions to licences that it may consider reasonably necessary. How this function is delegated is set out in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. Schedule 1 of the Regulations makes it clear that the imposition of conditions cannot be carried out by the Executive. Milton Keynes Council has therefore delegated this authority to the Regulatory Committee and its officers. Annex A will require licences to be given an additional condition which can be appealed by the licence holder. Council officers believe that this condition is reasonably necessary.
- (b) Interested parties have three months to challenge Council policy and procedure and this can be done via a Judicial Review application to the High Court. After that the routes of appeal are permitted against specific decisions (refuse, revoke, suspend, challenge a condition) and the applicant/licence holder has 21 days to appeal from the date in which they are notified of the decision.
- (c) If an interested party wants to challenge the Council’s policy and procedure after three months they would need to ask the Council to amend the policy (and set out reasons why they think it should be amended) and if the Council refuses then they (interested party) would have three months to make a Judicial Review application challenging the Council’s decision.

5. Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	Y	Crime and Disorder

List of Annexes

- Annex A Hackney Carriage and Private Hire Licensing Procedures and Conditions (Procedure and Conditions)
- Annex B Hackney Carriage and Private Hire Licensing Policy (Taxi Policy)
- Annex C Council Benchmarking (Pre-Covid-19)

Background Papers

Council Taxi Policy and Procedure documents

www.milton-keynes.gov.uk/environmental-health-and-trading-standards/licensing/hackney-carriage-private-hire/taxi-licensing-policy-annual-report-public-registers

Taxi and Private Hire vehicle licensing - Councillors Handbook

www.local.gov.uk/sites/default/files/documents/10.9%20Councillor%20Handbook%20-%20Taxi%20and%20PHV%20Licensing_November_2017.pdf

Taxi and Private Hire Licensing: Best Practice Guide

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/212554/taxi-private-hire-licensing-guide.pdf