

## Options Report for Taxi Licensing Checks

### Background

There are currently 365 Private Hire Vehicles and 162 Hackney Carriages (Taxis) licensed to operate within Bath & North East Somerset.

Vehicle licences are renewed annually, the process for which encompasses a number of visual and mechanical vehicle checks as well as verification of certain documentation. These are shown below:

Physical Checks	Document Verification
<ul style="list-style-type: none"> <li>• Taxi Vehicle Licence Inspection</li> </ul>	<ul style="list-style-type: none"> <li>• MOT</li> </ul>
<ul style="list-style-type: none"> <li>• Measured mile / meter check</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance</li> </ul>

At present, 6 garages within B&NES carry out the taxi vehicle licence checks including the Council's own transport depot at Locksbrook Road. The current selection of the garages approved by the Council was made some years ago, and has not been subject to regular review. The Licencing team now wish to carry out a thorough and robust review of the approval and selection process so that the system is open and transparent and available for scrutiny.

The licence inspection is carried out to ensure that vehicles are in a suitable mechanical condition and are safe to be licensed as a Taxi thereby ensuring public safety . The Licensing Authority must be satisfied with the quality of the inspections carried out and so has therefore restricted inspecting garages to those that are VOSA approved MOT Testing stations. An independent review of the premises is also carried out by the Council's Transport Manager which looks at the quality of the audit carried out by the garage to ensure there is not only compliance with the licence terms and conditions, but consistency across all approved premises. As the licence inspection is similar to the MOT there is an opportunity for the two tests to be combined. This does offer some benefit to taxi operators as it does mean that the garages are able to offer a reduction in charge, and minimises the time that the vehicle is off the road. There is currently no restriction on drivers preventing them from using any approved VOSA approved MOT garage for carrying out the MOT check, however, the vehicle inspection, must be carried out one of the 6 Council approved garages.

### Options

There are three options available:

1. To continue to regulate the number of garages approved to undertake licensed vehicle inspections

2. To permit any VOSA approved MOT centre to carry out the licensed vehicle inspections
3. To bring all licensed vehicle checks “in- house”

The current cost of the licence check is set at £54.85, and as with an MOT check, there is no cost for a retest, provided the faults are rectified and the vehicle is represented for a check with 10 days of the initial failed inspection.

Since the Council’s transport depot moved to Locksbrook Road and the Taxi Licensing team were co-located here in June 2012, there has been a steady increase in the number of taxis that have opted to take advantage of the Council’s “One Stop Shop” approach, having either their vehicle inspection or a combined MOT and vehicle inspection at Locksbrook depot. The tests are carried out at the same time as their taxi meter/ measured mile test and authentication of the renewal paperwork which helps speed up the process.

Although vehicle operators currently pay the garage directly for the cost of the vehicle inspection, the cost of the garage auditing is funded from the licence fees.

The majority of the current approved garages are located within Bath, with the exception of two that are in Midsomer Norton. There are currently no approved garages within Keynsham.

## **Cost Benefit Analysis**

### **Option 1 To continue to regulate the number of garages approved to undertake licensed vehicle inspections**

The current approval system has been in operation for many years, but has not been subjected to current procurement guidelines.

The current level of income received from carrying out licence inspections totals £29,000 per annum and under the current arrangements, the fees for the vehicle test are paid direct to the garage. To conform with procurement guidelines, undertaking a procurement exercise would be costly both in financial terms as well as in officer time. The licensing legislation does allow the Licensing Authority to recover all costs incurred in administering the licensing process and so the procurement costs could be recovered from either the garage approval fees or from the vehicle licence fees.

The process would be as follows

- draw up specification, tender documentation, and evaluation criteria
- advertise in the local press requesting expressions of interest
- evaluation of all the submitted applications
- inspection of the garages

- training provided to successful bidders
- annual quality and competency assessment

This process would take approximately two months to conclude, and would then need to be closely monitored for the duration of the contract. The process would need to be retendered every 3 to 5 years.

The benefits of this are

1. taxi operators would maintain the choice of where they have their vehicle checks carried out and they have the opportunity to use a garage local to where their business operates, provided that there is an approved garage in that area.
2. Having a small number of approved garages allows:
  - a. quality and assessment checks to be undertaken on a regular basis
  - b. greater control over certificates and prevention of fraud
  - c. the licensing authority is able to disseminate information and changes in regulations quickly to the garages
3. It also allows for competition, as the charges set by the Council are the maximum that can be made, and an operator with a large number of vehicles may be able to negotiate a cheaper rate with its local garage.

The disadvantages of this for the Council are

1. Each garage will require auditing on an annual basis to ensure quality and consistency. Such checks can be conducted by Transport Services but there is a cost to this which will need to be recovered as part of an annual fee.
2. To ensure that this process was open to competition, the procurement exercise would need to be repeated on a regular basis.

**Option 2. To permit any VOSA approved MOT centre that is “Buy With Confidence” (BWC) approved to carry out the licensed vehicle inspections**

Opening up the scheme to any approved garage within the district does have a number of benefits to the Council:

1. it does not require a procurement process to be undertaken
2. there would be greater choice for taxi operators as to where they can take their vehicles
3. there is the opportunity for any garage complying with the approval criteria to participate in the scheme

However there are a number of disadvantages to this:

1. Any approved garage, operating within the district wishing to carry out the taxi tests would have to be audited by the licensing authority. Depending on the number of garages wishing to participate in approval scheme, the demand may be such that the annual approval audits could not be performed in house, resulting in the work having to be procured from outside the Council. This would mean that the Licensing Team would have little or no control over the process.
2. The cost of the audits would have to be funded from the licensing fee. However as the demand for approval would not be known prior to the setting of the licence fees, there would be a risk that the process would not be cost neutral.
3. Inspection certificate pads will have to be produced and issued to all MOT garages within the district, irrespective of whether or not they are going to be used. This Licensing Authority would have less control over the garages that were approved resulting in this option being more susceptible to fraud.

### **Option 3 Bringing all inspections in house**

Locksbrook Road is the Council's transport depot. It is an approved VOSA, MOT testing station, and is also approved to carry out the taxi checks. The garage is also used by the Licensing team to carry out the measured mile/meter check on all licensed vehicles.

This option does have advantages for the Council and the taxi operators:

1. All taxis have to be presented to the Licensing office at Locksbrook Road for the measured mile/meter check, and for the drivers to show their documentation to the Licensing Officer. Completion of the licensing inspection at the same time would reduce the time the vehicle is off the road.
2. The Locksbrook garage is also an approved MOT station and so can offer taxi operators the option of a combined test for a reduced cost.
3. The additional income generated from carrying out the inspections would enable the Transport team to invest back into the service.
4. The taxi operator can be guaranteed that the checks carried out at Locksbrook Road are completely independent, and that any faults identified require urgent attention. This is because Locksbrook Road does not carry out any vehicle repairs themselves.

The disadvantages to this are:

1. Any repairs required would have to be undertaken at another garage and the vehicle would have to re-presented to Locksbrook Road for a recheck. Although the cost of the recheck, like the cost of an MOT retest, is free provided the vehicle is brought up to specification/ repaired and presented

within 10 days, there would be added cost to the taxi operator in time the vehicle is off the road, and added inconvenience of finding another garage to undertake the repairs.

2. There is some concern over the capacity of Locksbrook Road to undertake the tests of all the Private Hire Vehicles within the current licence renewal timescale. At present there are 365 such vehicles licensed to operate within B&NES and all their licences are renewed between October and November each year. Although there are currently 2 MOT bays available, to comply with the VOSA approval, one bay would have to remain open for public use. With the garages current capacity it is unlikely that all these checks could be made within the renewal period; this does not take into account any additional time for any potential retests or combined vehicle inspection/MOT checks that some drivers might require.  
Future peak demand could be negated by staggering the renewal period, and changing future renewal dates to coincide with the original date of application rather than the current practice of having all renewals due by a certain date each year.
3. This option does restrict customer choice and reduces competition. This option may also be less suitable for larger operators and those that operate outside of Bath.
4. This is contrary to the Council's policy of supporting local businesses and the Council's buy local policy.

## **Recommendations**

It is recommended that Option 1 is the preferred option for the following reasons

- it supports the local economy
- it supports the Council's "Buy Local" policy,
- continues to provide taxi operators with a choice as to where the test is carried out, which is most suitable or convenient to meet their business needs,
- by using a number of approved garages it complies with best practice

This option also provides the Licensing Authority with the confidence that it maintains control over the process by reducing the risk of fraud, and most importantly protecting public safety.

