

Classification	Item No.
Open / Closed	

Meeting:	Licensing and Safety Committee
Meeting date:	3 October 2024 – Licensing and Safety Committee 14 November 2024 – Council
Title of report:	Review of the current provision of a Second Testing Station due to the current contract expiring on 31 March 2025
Report by:	Executive Director (Operations)
Decision Type:	Council
Ward(s) to which report relates	All

Executive Summary:

This report seeks permission to carry out a procurement exercise in relation to the approved independent licenced vehicle testing station as the current contract expires on the 31 March 2025.

Options

- Retain an independent testing station and to reprocure an independent testing station for a 2-year period with the option to extend of a further 1 + 1 years.
- To relinquish the current provision of an independent testing station and bring the compliance testing of hackney carriage/private hire vehicle testing back in house.

Recommended Option

- Retain an independent testing station and to reprocure an independent testing station for a 2-year period with the option to extend of a further 1 + 1 years.

Key considerations

This is a Council Function that is delegated to the Licensing and Safety Panel by the Council's Constitution.

This paper is in the public domain.

Community impact / Contribution to the Bury 2030 Strategy

Not applicable

Equality Impact and considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

The Licensing Service have considered the Equality Act 2010 and due to each application being dealt with on its own merits there is no positive or negative on any of the protected characteristics.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
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<p>Option 1: Retain an independent testing station and commence a new procurement exercise to procure a new supplier.</p> <p>Continued loss of income to the Council's testing station at Bradley Fold.</p> <p>There may be TUPE implications which will need to be considered by any potential new supplier.</p>	<p>Responds to the views of the trade in Bury and continuity of exiting processes and procedures which are well recognised within the trade response to the engagement exercise.</p> <p>Maintain or increase the number of license applications and associated income within the Licensing service.</p> <p>Supports Bury business prosperity, growth and local skilled employment opportunities and aligns to the Council's social value and the LET's principles.</p>
<p>Option 2: To relinquish the independent testing station (Sunnybank) and bring the compliance testing of hackney carriage/private hire vehicle testing back in house.</p> <p>There may be TUPE implications which will need to be considered by the Council's Operations Department.</p>	<p>Potential backlash from the hackney carriage and private hire trade if the decision was to bring the testing of hackney carriage and private hire vehicles in house to Bradley Fold with no alternative provision. This could lead to reduced applications / renewals as current legislative regime permits licences to be obtained from other licensing authorities (who may have an independent testing station offer).</p> <p>Any potential reduction in fleet numbers will lead to a loss of income to the licensing service, which may exceed current losses in relation to the provision of an independent testing station.</p> <p>All income relating to licensed vehicle testing would be retained by the Council.</p>

Consultation:

The Licensing Service have conducted a survey between the 6 September until the 22 September 2024 with the Hackney Carriage and Private Hire Trade and trade representatives. The results of the survey are contained within the report.

Legal Implications:

The Licensing Service have sought the advice of the Head of Procurement and Legal Services and have been advised that there are possible TUPE implications for the Council or any successful bidder of the procurement exercise should the decision be to reprocur an independent testing station or to relinquish the independent testing station.

Financial Implications:

The Licensing Service have sought the advice of the Council's Head of Waste Management and Transport who has advised that since the second taxi testing was implemented, transport have seen a reduction in the number of checks and the income received has also declined.

There are no specific issues from the report other than potential costs/risks associated with legal appeals.

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Background papers:

Licensing and Safety Committee Report and minutes 22 July 2021
Licensing and Safety Committee Report and minutes 16 December 2021
Operational Decision 606 – dated 20 January 2022 to Award of a concessionary contract for the provision of a second testing station, based within the borough, to undertake the testing of licensed private hire and hackney carriage vehicles from 01 April 2022 to 31 March 2023, with options to extend for two further twelve-month periods until 31 March 2025

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
HCV	Hackney Carriage Vehicle
PHV	Private Hire Vehicle
MOT	Ministry of Transport

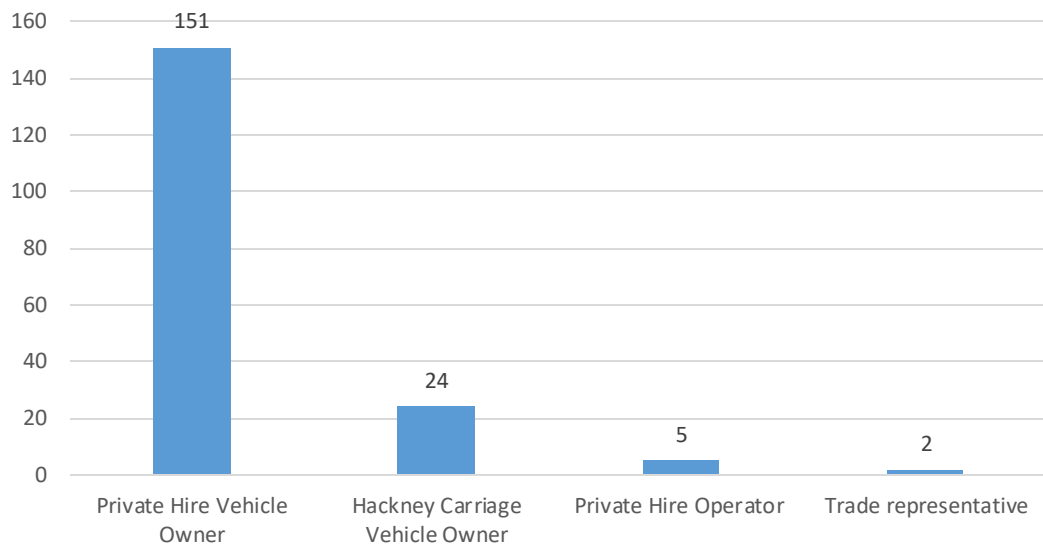
1.0 Background

- 1.1 Bury Council licensing policy requires all licensed vehicles to be tested at the Council's vehicle workshop and MOT testing station at Bradley Fold industrial estate or the approved independent testing station following the decision of the Licensing and Safety Committee.
- 1.2 The testing regime consists of a compliance check, which incorporates the safety elements of an MOT along with other checks relating to customer safety, comfort and aesthetic appearance of the vehicle including general bodywork, interior and paintwork etc. to ensure public safety is maintained in accordance with the approved vehicle testing manual.
- 1.3 Following the decision of the Licensing and Safety Committee, the Licensing Service were required to carry out an Invitation to Tender for a Concessionary Contract for the Provision of Private Hire and Hackney Carriage Vehicle (HCV/PHV) Testing in 2021.
- 1.4 The tendering process took place between the 19 November and 22 December 2021, and a contract was awarded to Sunnybank Service Station. The contract length was for the period between the 01 April 2022 to 31 March 2023 with options to extend for two further twelve-month periods until 31 March 2025. The options to extend for a further two periods were implemented. The contract is due to end on the 31 March 2025.
- 1.5 The number of tests undertaken by the Sunnybank Service Station has increased during the duration of the contract. This indicates that the hackney carriage and private hire trade select Sunnybank rather than the Council's testing station at Bradley Fold as their preferred choice.

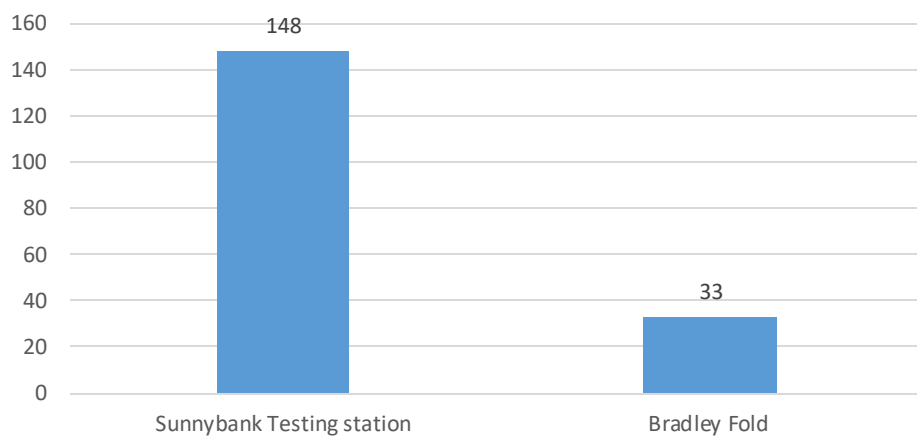
2.0 Issues

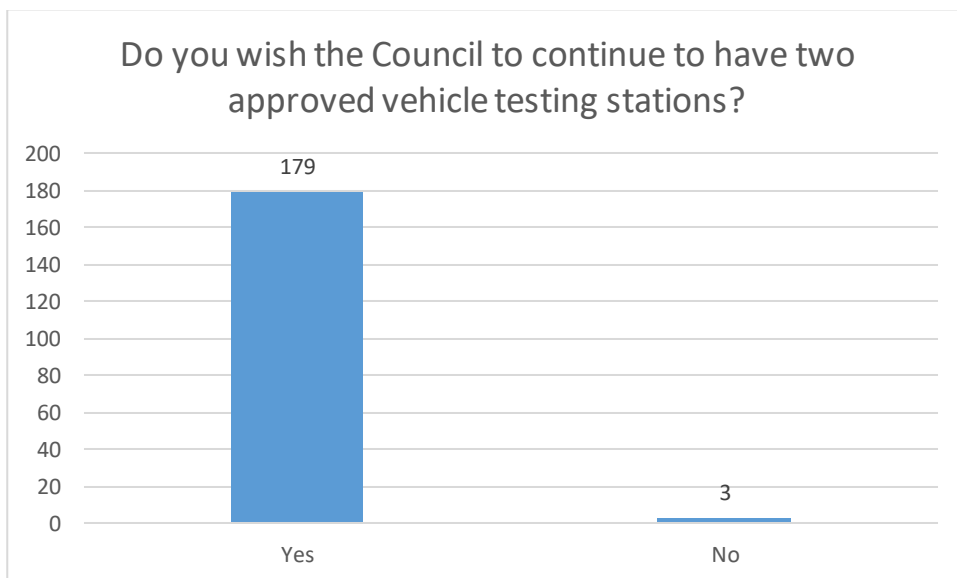
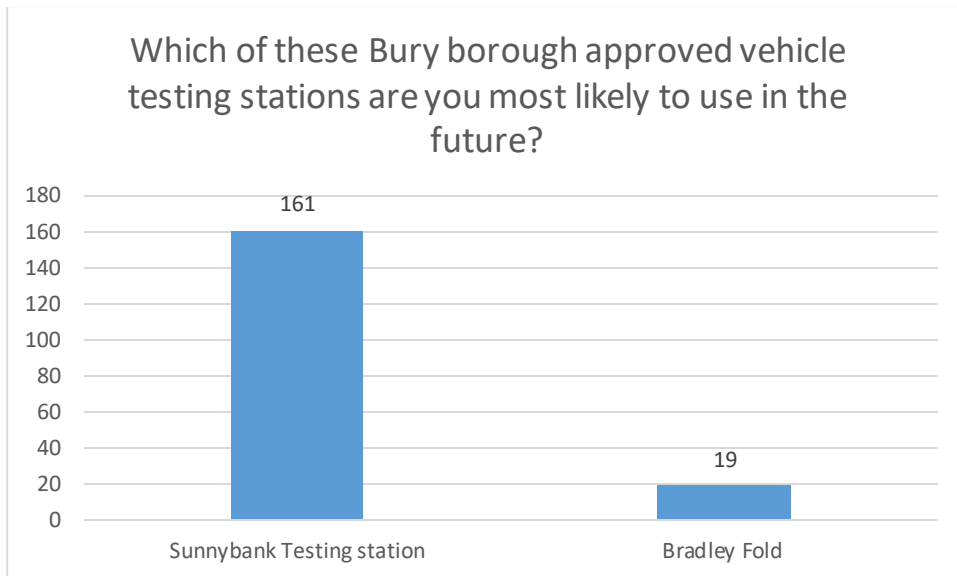
- 2.1 Due to the current contract coming to an end on the 31 March 2025, The Council must now decide on whether to continue to offer (and procure) an additional independent testing station which was highly demanded by the licensed trade or whether to bring the service back in house.
- 2.2 The Licensing Service have conducted an engagement exercise with licensed drivers of both hackney carriages and private hire vehicles, private hire operators and trade representatives which attracted 187 responses. The responses are as follows:

What best describes you?



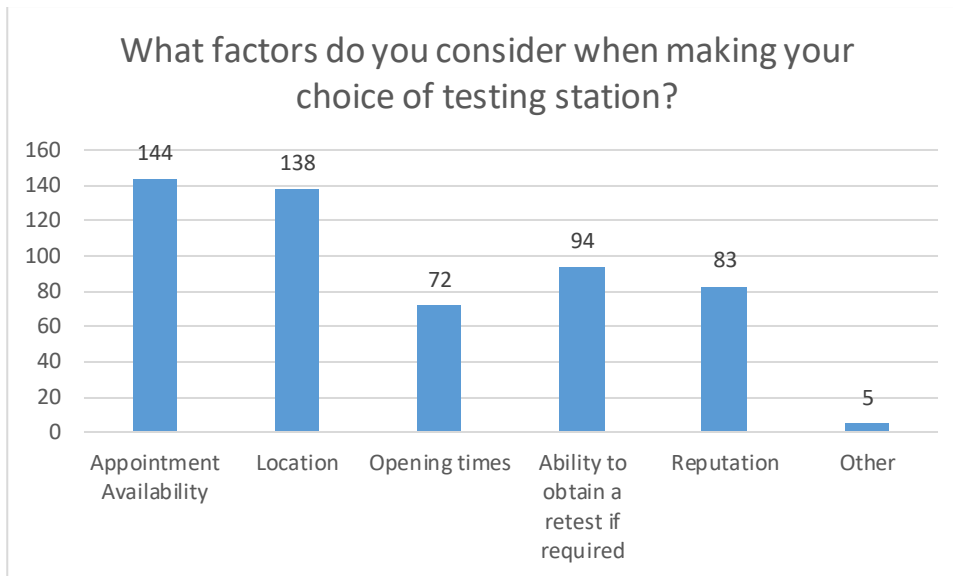
Where do you currently have your vehicle tested?





The responses to this question who answered Yes stated the following reasons: -

- Friendly service
- Easier for drivers
- Easy to get appointment
- Convenient
- Customer service/Good service



3.0 Impact on Income

3.1 Records show that since the implementation of the existing contract the Council has received a significant reduction in income within Operations Bradley Fold Testing station over the 3 years of the contract as shown below:

Year	Independent station (Test plus interim)	Bradley Fold (Test plus Interim)	Loss to Council (Test and interim test)
2022/2023	726	946	-£60,984
2023/2024	976	698	-£86,376
April 2024 to Aug 2024	422	234	-£35,448

*Please note the above figures have worked on the assumption that all vehicles have had two vehicle compliance tests.

- 3.2 When an application is submitted for a grant or renewal of a hackney carriage/private hire vehicle licence, the applicant/licence holder is required at the point of application to request which authorised testing station they would like their vehicle to undertake a vehicle compliance test. When an application is submitted the application fee is paid and the cost of two compliance tests is also paid if the vehicle proprietor wishes to have his /her vehicle tested at Bradley Fold.
- 3.3 The process when a vehicle proprietor chooses Sunnybank Service Station the applicant/licence holder would pay the application fee but would pay the cost of the vehicle compliance tests to Sunnybank Service Station. It is policy that whichever authorised testing station is chosen it is a requirement that both the grant/renewal and interim vehicle compliance test are undertaken by the same testing station.

Please note that vehicles under the age of 3 year from date of registration will only be required to have one vehicle compliance test.

The number of tests undertaken by the Sunnybank Service Station has increased during the duration of the contract. This indicates that the hackney carriage and private hire trade select Sunnybank rather than the Council's testing station at Bradley Fold as their preferred choice.

4.0 Staffing

4.1 Members need to be aware that there are potential TUPE implications should the decision be to reprocure an independent testing station or to relinquish the independent testing station. Advice on this matter has been sought from the Council's Head of Procurement and Legal Services.

5.0 Options

- Retain an independent testing station and to reprocure an independent testing station for a 2-year period with the option to extend of a further 1 + 1 years.
- To relinquish the current provision of an independent testing station and bring the compliance testing of hackney carriage/private hire vehicle testing back in house.

5.1 Recommended Option

- Retain an independent testing station and to reprocure an independent testing station for a 2-year period with the option to extend of a further 1 + 1 years.