

LICENSING COMMITTEE

Vehicle Licensing - Trade Consultation and Review

12 March 2026

Report of Licensing Manager

PURPOSE OF REPORT

To inform members of the results of a trade consultation relating to vehicle licence standards and feedback on the intention to move towards annual vehicle licensing.

Additionally, to highlight key points for decision in relation to the review of vehicle licensing, including application processes, inspection and maintenance.

This report is public, with appendix 3 being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.

RECOMMENDATIONS

- (1) **For members to consider the information contained in the consultation responses and report, and**
- (2) **Determine amendments to the current Private Hire and Hackney Carriage Licensing Policy.**

1.0 Introduction

1.1 As part of the Councils Fit for the future (FFTF) programme, the Licensing Service were tasked with digitalising all aspects of taxi and private hire licensing. The majority of the action plan is now complete, with all applications being hosted online, importantly the local licensed trade has embraced the changes, resulting in a significant channel shift in terms of percentage of applications received online.

1.2 During implementation of the digital procedures, it was apparent that some processes were taking significantly more time and resource to administer the licence(s). Additionally, it was highlighted during taxi and private hire liaison groups, via the licensed trade that vehicle licensing was a source of frustration. Some members of the trade are required to submit applications up to 3 times a year, administratively this seems a burden for both parties.

1.3 A vehicle licensing review was prioritised in the Licensing Service workplan (2025/26). The Licensing Manager and Officers has worked alongside software providers, internal colleagues (VMU) and suppliers to complete the review and associated recommendations.

2.0 Proposal Details

2.1 There seems an appetite from both the service and trade to move towards annual

vehicle licensing, with all vehicles being licensed for 1 year, subject to an interim mechanical test at 6 months.

- 2.2 The review has therefore focused on an annual vehicle licensing model, with a focus on efficiencies, both operationally and financially.

Details of Review

- 2.3 Section 5 of the Councils Private Hire and Hackney Carriage Licensing policy sets out matters relating to licensed vehicles, including suitability of applicants, application criteria, vehicle specifications and conditions, livery and signage requirements, emission standards, testing, inspection and maintenance.

The Private Hire and Hackney Carriage Licensing policy is attached to the report at **Appendix 1**.

3.0 Consultation

- 3.1 In order to measure the appetite for change/review of standards a consultation by way of an online survey was facilitated by the Licensing Service with the local licensed trade.

The survey was available for completion between Friday 12 December 2025 – Friday 16 January 2026. The trade was provided with a link and QR code to complete the survey, they were reminded throughout the consultation period.

A series of questions were asked, as well as given an opportunity to provide some feedback on general vehicle licensing matters.

The analysis of responses received is attached at **Appendix 2**.

- 3.2 The responses were considered by the Taxi and Private Hire Liaison Group at its meeting on 3rd March 2026.

4.0 Matters for consideration

4.1 Licence Length

Currently all licensed vehicles are required to meet vehicle specifications prior to licensing, the length of licence granted, and frequency of testing is dependent on the age of the vehicle.

- For vehicles less than 2 years old from the date of first registration to the date of licence application being received will be required to be tested annually.
- For vehicles between 2 years old but less than 10 years old from the date of registration to the date the licence application is received will be required to be tested at 6 monthly intervals.
- For vehicles over 10 years of age from the date of registration to the date the licence application is received will be tested at 4 monthly intervals.

- 4.2 It is proposed that all licensed vehicles, upon renewal and regardless of its date of first registration will be issued with a 12-month licence, members will note that the trade supported this approach, with 86% of survey responses agreeing that they support the

roll out of an annual licensing regime; regardless of the age of a vehicle.

- 4.3 Members will note that at point 5.6/Appendix K of the policy is a requirement that vehicle proprietors undertake a daily and monthly vehicle check, which must be documented and provided to Licensing Officers for inspection upon request. This is a licence condition, not discretionary request. The daily and monthly inspections go a long way towards ensuring that vehicle(s) are maintained in a safe and roadworthy condition and assist in complying with the requirement for licensed vehicles to be maintained in such a condition that it is capable of passing the “taxi test” at any time.
- 4.4 Licensing Officers regularly conduct ad-hoc inspections of licensed vehicles, stopping and conducting a spot-check of the vehicle’s roadworthiness, including livery, signage and cleanliness. It is intended that due to increased resources within the team that the inspection and monitoring of vehicles can be prioritised, this will safeguard vehicle standards further.
- 4.5 Members may wish to consider whether an interim test is required, mid-way through a licence. This requirement could be applied to all vehicles or categories of vehicles (those over 7-10 years). 71% of the licensed trade supported annual testing only, with 26% feeling a midpoint test should be introduced (for all).

Testing

- 4.5 Currently vehicles are tested by mechanics at the Councils Vehicle Maintenance Unit (VMU). They take place weekdays at 08.30/09.30/10.30 and 11.30am, the cost of a test is £64.00.

This includes a MOT if the current MOT is due to expire before the expiration of the new licence to be granted. Regardless of MOT status, taxi and private hire standards and checks are conducted during every test.

The Councils transport contingency plans include the use of a further local garage, O`Connors. This is an arrangement between the vehicle maintenance unit and O`Connors, they undertake MOTs on behalf of VMU, with the taxi elements of the test been undertaken at VMU (recognising O`Connor’s mechanics do not have the relevant training to do so). Should this arrangement not be in place, when unforeseen matters affect testing, vehicle tests would back up.

- 4.6 Historically, members of the licensed trade have requested that they be permitted to obtain an MOT or “taxi test” from other garages and mechanics. The survey results highlight that the majority feel lower cost. 32% and 41% flexibility having the greatest benefit to multiple test sites.
- 4.7 It is important to highlight the points to consider/discuss if members wish to introduce additional vehicle testing facilities.
 - Council Income – Vehicle tests are currently £64.00; income is split between Licensing/VMU. The £9 per test maintained by Licensing funds additional resources within the team. The remaining £55 supports the Councils Vehicle Maintenance Unit and ensures adequate resources for testing and re-testing.
 - Consistency and Standards – Currently the Licensing Service deal with 1 facility for testing and 2/3 testers, this ensures that there is little variance between testers and standards are maintained. Introducing additional testing facilities will require Officers to monitor garages and liaise with significantly more testers, which may lead to

inconsistencies in vehicle standards.

- Availability and Freedom – Introducing additional facilities will allow vehicle proprietors the freedom to use/book a test when is convenient to them, and shop around for a competitive rate. There has been occasion where vehicle tests are fully booked for up to 2-weeks, VMU have always worked with Licensing to create extra provision for testing as/when required.
- Taxi/PH Specific Checks – During the taxi test the VMU testers, as well as conducting an MOT and checking for mechanical roadworthiness, they check taxi/private hire related matters too. Including, signage, meter, cleanliness, plate position etc. Other garages will not account or can provide such service without significant support, this part of a vehicle test would fall to Licensing Officers, placing additional pressures on the service.
- Communication – The Licensing Service and VMU have an established pathway for communications regarding bookings/testing and other matters. A designated real-time teams channel hosts a log of bookings, with Licensing Officers and testers able to exchange messages instantly. Should members decide to introduce additional testing facilities, communication protocols with each facility would be required to ensure service delivery.
- Conflict of interest – Should extra testing facilities be considered it is important that any conflicts of interests are disclosed during the procurement process. No driver, vehicle proprietor or any person with an interest in vehicle licensing/licensed trade should be involved with the facility wishing to undertake the vehicle tests on behalf of the Council.

Efficiencies

- 4.8 When a vehicle licence is granted, it is so with a set of door signs, an internal plate and plastic licence plate(s). Historically Lancaster City Council have been supplied the raw materials and “made” the items themselves in the office. The direct cost of the materials is passed on to each individual licence holder through licence fees.
- 4.9 Lancaster City Council have used Mogo as their supplier of the raw materials for over 10 years. The products are compatible with internal licensing systems. The quality of the products and reliability of the supplier has been consistently good.

Up to 25 licences and plates are made by Administrative Officers each week, it is a labour-intensive process. It requires minimum stock levels and control as well as a daily requirement for an Officer to attend the office.

- 4.10 The direct fulfilment offered by Mogo is an option for the licence and plate to be created by Mogo and printed directly on to the product and sent directly to each licence holder. This would remove the requirement for licence-holders to attend Lancaster or Morecambe Town Halls for collection, alleviating any claims of lost licences or plates and removing the requirement of Customer Service Advisors to issue items on the services behalf.

Mogo offer a bespoke platform where LCC Officers can place an order for licence(s) and plate(s), with a commitment to being posted to applicants/licence-holders within 24hours.

Licence holders would be responsible for ensuring they complete their applications prior to expiry of their current licence and in good time to ensure adequate time for delivery.

- 4.11 63% of those responding to the survey supported the outsourcing of licences/plates production via the direct fulfilment products. Whilst the majority of the trade feel between 24/48hours is an acceptable turnaround time, 70% of the trade felt that by moving to a 12-month licence (essentially completing the process once a year) mitigated that requirement and were happy with a 2–5-day turnaround.

Proposed Fees – Direct Costs per Licence Holder

- 4.12 Annually, the Licensing Manager calculates Licensing Fees for each licence type, the fees relating to Private Hire Vehicles and Hackney Carriages differ due to activity based on the administration and monitoring of that licence.
e.g. Unmet demand survey costs/hackney carriage stand monitoring, and works are included in Hackney carriage fees.

Proposed fees are as follows.

	Annual Licence	6-Month Licence	4-Month Licence
Private Hire	£211.00	£105.50	£70.00
Hackney Carriage	£233.00	£116.50	£77.00

* highlighted fees redundant if 12-month licence only.

- 4.13 Vehicle fees currently include the direct costs of the materials, plus Officer time in terms of the administration and issuing of the licence/plate and door-signs.

Attached at **Appendix 2** are proposed costs associated with direct fulfilment. (Commercially Sensitive – Restricted)

5.0 Officer Preferred Option (and comments)

- 5.1 Members are asked to consider the options set out in the report and amend the Private Hire and Hackney Carriage Licensing Policy as necessary or refer to taxi and private hire liaison group for comment.
- 5.2 It is important to highlight that some decisions and subsequent changes to policy will take 12 months to take full effect.

6.0 Conclusion

- 6.1 A review of vehicle licensing arrangements was identified as necessary as part of the Licensing Service Workplan 2025/26. There was appetite from the local trade and service to ensure any changes create efficiencies and benefits to all parties both in terms of time and cost.

**CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety,
Sustainability and Rural Proofing):**

Public safety is paramount when considering the inspection and maintenance of licensed vehicles.

LEGAL IMPLICATIONS

Any changes to vehicle licensing will need to be accurately reflected in the Private Hire and Hackney Carriage Licensing Policy.

FINANCIAL IMPLICATIONS

The direct fulfilment proposals would replace the direct costs for materials along with a proportion of Officer time; such changes are estimated to be cost neutral to the service.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services,
Property, Open Spaces**

None Identified.

SECTION 151 OFFICER'S COMMENTS

None.

MONITORING OFFICER'S COMMENTS

None.

BACKGROUND PAPERS

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