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All-Party Parliamentary Group on Taxis



Lessons from London: The future of the UK taxi trade

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Foreword



I am delighted to introduce this first report of the All Party Parliamentary Group for Taxis.

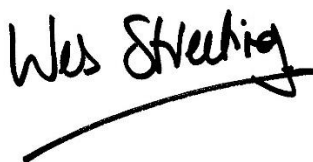
The black Hackney carriage is one of the great icons of our capital city, the Knowledge of London produces the most qualified taxi drivers in the world, and the licensed taxi trade is a mainstay of public transport systems in towns and cities across the UK. Our challenge now is to make sure that the trade enjoys a bright future, as well as a proud history.

The debate about the future of the taxi trade has often been unfairly characterised as a debate between those who support competition and innovation versus those who want to cling to the past. This is a lazy analysis. The taxi drivers I represent are not afraid of innovation or competition. Increasing numbers of drivers are embracing new platforms like Gett and Mytaxi; many cab drivers have been accepted card payments long before it was mandatory; and a great many more are keen to get behind the wheel of the new generation of carbon-neutral electric capable taxis to play their part in improving air quality and protecting our environment. But taxi drivers are finding it increasingly difficult to compete in a changing market place with both hands tied behind their backs.

The taxi and private hire industry is, in many respects, at the cutting edge of an industrial revolution that is sweeping the world with an unprecedented scale and pace. Breakthroughs in technology offer unlimited potential to improve our quality of life and are revolutionising the way we travel. But, on the streets of London and other major cities around the world, we have also seen how advances in technology can be exploited by multinational companies that seek to drive their competitors off the road with a business model based on poor pay and conditions for drivers, the exploitation of regulatory loopholes, and predatory pricing made possible with huge venture capital and aggressive tax avoidance.

This report sets out a range of practical recommendations intended to put fair competition and the interests of passengers at the heart of the taxi and private hire industry. I'd like to thank all those who gave evidence to our inquiry and to the Members, secretariat and sponsors of the APPG for their assistance in producing this report.

Most importantly, I hope this report leads to action by ministers and regulators, which is long overdue.



Wes Streeting MP

Chair, All Party Parliamentary Group on Taxis
Member of Parliament for Ilford North

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1. Executive Summary

For nearly four hundred years the iconic hackney carriage has been part of the fabric of London. From hansom cabs to the introduction of the iconic black cab, the taxi trade has adapted and changed with the city's needs. That process is still ongoing – the trade was among the first to use apps, all taxis accept card payments, and the new zero emissions capable taxi will be on the road by the end of this year. In addition hackney carriages are the only 100% accessible form of public transport in London, providing a vital transport link for many vulnerable and less mobile passengers.

Yet as the taxi trade is changing to meet the needs of Londoners, our great city is under increasing strain. Congestion is now at record levels, and experts have shown that toxic pollution is causing over 9,000 deaths each year¹. The Mayor of London has recognised that the status quo is not sustainable and has made it his personal mission to tackle the increasing congestion and pollution.

Whilst the trade is fulfilling its obligation to improve London's air quality, the private hire vehicle (PHV) market, regulators and Government are failing Londoners. Since 2010 the emergence of new operators has doubled the number of PHV drivers, flooding London's streets with cars that the London Assembly's Transport Committee has directly attributed to the rising congestion.

London now has around 120,000 PHV drivers, and this brings unique challenges that the current regulatory system is simply unable to cope with. London has always had a two-tier system - in return for driving a regulated cab, and undertaking 8,000 hours of training to pass the Knowledge, black cab drivers can 'ply for hire' or pick passengers up from ranks, whilst PHVs operate on a pre-booked system. Yet the rise of app-based PHV systems like Uber has led to a large fleet of vehicles illegally plying for hire.

Taxi licensing regulations are not set nationally, which means that some PHV operators are using the patchwork quilt of local licensing systems to avoid areas with strong licensing requirements. This problem, known as 'cross border hiring', is not unique to London, and councils and cities across the country, most notably in Rotherham, are finding that their locally determined strong regulations are being avoided by PHV drivers who choose to be licensed in neighbouring boroughs with weaker regulations. Councils have found themselves powerless to act when PHVs licensed in neighbouring boroughs turn up and operate in their area, despite not meeting the local regulations.

There are also significant concerns about passenger safety caused by the increasing numbers of PHV drivers across the country and the disregard for workers' rights by some PHV operators. As some operators, such as Uber, classify drivers as 'self-employed' and not workers, they do not have to pay them the minimum wage. This, coupled with increased competition among the rapidly rising number of PHV drivers, is forcing drivers to work longer hours with no breaks, endangering passengers and public safety. Passengers are also being put at risk because some PHV drivers don't even have a basic understanding of the topography of individual cities and are in vehicles that are not guaranteed to be insured.

It is positive that the Mayor of London, local licensing authorities, and governmental scrutiny bodies have recognised some of these problems. In London the Mayor has set out how he intends to approach some of these challenges in the Taxi and Private Hire Action Plan 2016 and the Mayor's Transport Strategy, and he is lobbying Government for the power to cap

¹ Understanding the health impacts of air pollution in London 2015 <https://www.scribd.com/document/271641490/King-s-College-London-report-on-mortality-burden-of-NO2-and-PM2-5-in-London>

PHVs and address the cross border hiring problem. Local regulators, combined authorities or Mayors are surely in the best position to determine the taxi and PHV requirements for their city, and the Government should devolve down the power to cap PHVs to ensure that this happens.

While there are positive steps being taken, more needs to be done to ensure that the taxi market thrives in the future, not just in London but across the country. Incomes in the taxi trade have significantly fallen in the last couple of years, with London's black cabdrivers reporting a 30% reduction in income, and some taxi garages also reporting turnover dramatically decreasing.

The new zero emissions taxi represents the future of the trade and is vital for London and the UK. Not only will it have an electric battery range of over 70 miles – vital to cutting pollution in cities – it also comes with mobile phone charging points, wifi compatibility and a forward-wheelchair position and retractable ramp. But Londoners will not see these benefits without the Government, the Mayor and TfL acting together.

Having considered the lessons to be learned from London for cities across the country, the APPG on Taxis calls on the Government and relevant licensing authorities to implement a range of policy solutions that are vital to ensuring a properly functioning taxi and PHV market.

1.1 Key Recommendations

Government

1. To stop the exploitation of cross border hiring, the **Government should consider legislating to create a statutory definition of cross border hiring whereby a journey must “begin or end in the licensing authority where the licence was issued”**.

The Government must also, at the earliest opportunity, consult on statutory guidance for taxi and PHV licensing and the proposed guidance should set out a robust set of minimum licensing standards for all licensing authorities to impose.

These standards must include mandatory disability equality training and enhanced DBS checks for both taxi and PHV drivers.

Local authorities should still have the freedom to impose any standards over and above this, should they feel that this appropriate in response to local challenges or market conditions, at their own discretion.

2. **The Government should establish a national database of registered taxi and PHV drivers and operators in conjunction with the DVLA and police.**
3. **The Government to legislate to provide a legally enforceable statutory definition of plying for hire.** The Government must also clarify its position on taxi and PHV regulation and the future of the two-tier system by issuing its long overdue

response to the Law Commission's 2014 report on taxi and PHV licensing as soon as possible.

4. As part of its plans to devolve further powers to local authorities, **the Government should consider granting the Mayor/TfL, in London, the power to cap the number of PHVs, and any other Mayors and combined authorities who request it.**
5. It is vital that all taxis and PHVs are insured to protect passengers and the wider public. The Government should legislate so that **all minicab operators have operators' insurance to ensure that vehicles have full hire and reward insurance in place at all times.** At the very least, hire and reward insurance should be in place for the duration of the license period and a license should not be issued without this.
6. To incentivise and facilitate take up of the new zero emissions black cab and to support drivers to make the transition to the cleaner vehicle in London and across the Country, the Government must work with local authorities to ensure that:
 - **there is adequate rapid charging infrastructure in place to support the use of the new ZEC taxi;**
 - **the VED regime does not penalise those who purchase the new ZEC taxi;**
 - **Drivers understand what is available to them in terms of grants and subsidies and these are readily available to them; and,**

The Government should also consider implementing a **national diesel scrappage scheme which applies to black cabs.** Finally, the Government should also **review the impact that the changes to vehicle excise duty could have on take up of the new ZEC vehicle and consider creating an exemption for ZEC black cabs from the additional rate of VED charged on vehicles with a purchase price of more than £40,000.**

Mayor of London and local authorities

7. In London, the regulator, TfL, should review its mechanisms for **communicating with both the taxi and PHV trades and look at how these could be improved. Both trades must also look to take a more constructive and open approach to engagement with the regulator.** This would allow the regulator to work more closely and effectively with the industries on issues of common concern and to better champion their interests with Government.
8. The Mayor of London and TfL should **ensure that taxis remain exempt from the ULEZ, in recognition of the trade's efforts to tackle air pollution.** However, when reviewing the congestion charge, **TfL should introduce congestion charge for PHV vehicles.**
9. The Government should support TfL in its efforts by **reviewing the Private Hire Vehicles (London) Act 1998 to ensure that it is fit for purpose for the digital age.**

10. **Licensing authorities and local police should produce a code of conduct for the use of apps by taxi and PHV drivers to sign up to**, in order to ensure that they are not using their phones whilst driving and putting passengers and other members of the public at risk. This is a short term measure to address the dangers associated with the use of apps whilst driving. The Government should also consider including adherence to a code of conduct as a part of national minimum standards.
11. All licensing authorities, including the Mayor of London and TfL should take immediate steps to strengthen PHV regulation to ensure that all PHV are insured and that their drivers have the skills and knowledge to ensure public safety. These should include:
- Introducing an **enhanced driving test for minicab drivers**
 - Introducing a **limited topographical test for PHV drivers**
 - Introduce **mandatory disability equality training and an associated test** for all PHV and taxi drivers
 - The Mayor of London should stand by his decision to introduce an English **language test for PHV drivers with both spoken and written elements**, in recognition of the importance of both skill sets in communicating with those with additional needs and disabilities. We further recommend that other licensing authorities should follow suit.

1.2 Process of inquiry

Increasing levels of pollution, congestion and concerns about passenger safety in the UK's major cities are causing policy makers to look anew at the future for the taxi trade and Private Hire Vehicles (PHVs) across the country. The All Party Parliamentary Group on Taxis welcomes these steps. However we believe that more can be done to safeguard the future of the UK taxi trade, and learn the lessons from the challenges of regulation in London.

In order to ensure that this inquiry included the views of a diverse range of people the Officers of the Group approached a wide range of stakeholders and invited them to give evidence. These included representatives from the PHV and taxi industries, disability and passenger safety groups, unions, regulatory bodies, Government and City Hall.

Given the limitations on time, a representative cross-section of organisations were invited to attend oral evidence sessions. As the largest PHV operator in the UK we did invite Uber to give oral or written evidence, but they declined to do either. A broader spectrum of stakeholders were asked to provide written evidence, as well as the wider public. The call for written evidence, which was advertised in the Evening Standard, received 115 written submissions.

The following report and recommendations have been drawn from this body of oral and written evidence.

Three oral evidence sessions were held as follows:

Session one (Tuesday 28 February): Passenger and Public Safety

Witnesses: Chair of the Communities and Local Government Select Committee, Clive Betts MP; Senior Campaigns Manager at Guide Dogs, James White; assistance dog owner, Sue Eyles; and General Secretary of the Licensed Taxi Drivers Association, Steve McNamara.

Session two (Tuesday 14 March): The effectiveness of regulation

Witnesses: Taxi and Private Hire General Manager at Transport for London, Helen Chapman; and Director of Service Operations at Transport for London, Peter Blake.

Session three (Tuesday 28 March): The effectiveness of regulation cont.

Part one

Witnesses: Secretary of the GMB Professional Drivers' Branch, Steve Garelick; Chair of Unite's cab section, Mike Hedges; Unite Cab Section's Peter Rose.

Part two

Witnesses: Head of Regulatory Affairs with Addison Lee, Dr Michael Galvin; Founder of United Private Hire Drivers, James Farrar.

The Future of the Taxi Trade

Witnesses: CEO of mytaxi, Andrew Pinnington; Chairman of Gett UK, Geoffrey Riesel; Head of Communications and Public Affairs at the London Taxi Company, David Ollier.

2. Themes

2.1 Effectiveness of regulation

Recent years have seen significant changes to the taxi and private hire markets, primarily due to the huge rise in the number of PHVs in cities across the UK, which has been combined with the introduction of new technologies. Many drivers and representative bodies across both the taxi and PHV industries believe that existing regulation is no longer fit for purpose and that reform has not kept pace with the changing market.

This section of the inquiry looks in detail at many of the areas where a lack of suitable regulations has negatively impacted both the taxi and PHV trades.

1) PHV regulations

The scale and pace of change in the taxi and PHV industry has placed huge pressure on the current system of regulation. Director of Service Operations at Transport for London, Peter Blake, recognised this during our second APPG on Taxi evidence session, saying that “we have seen a considerable growth in private hire” in London, from about “60,000 private hire drivers in 2009-10 to about 117,000-118,000 this year”².

Despite this, much of the written evidence that we received implied that licensing authorities across the UK have been slow to react to the huge influx of app-based PHVs into the taxi and PHV market, and have failed to introduce adequate licensing regulations. In particular, respondents were concerned about the increasing number of road traffic accidents that are being caused by PHV drivers being distracted when using mobile devices to pick-up passengers, or being too reliant on satnavs while driving in unfamiliar cities.

Although TfL does not differentiate between the number of accidents caused by taxis and those caused by PHVs, since the introduction of Uber to London in 2012, the number of accidents caused by this group has increased from 565 to 827³. During this time, the number of black taxis has remained static, whereas the number of PHVs has nearly doubled. In our first evidence session, General Secretary of the Licensed Taxi Drivers’ Association, Steve McNamara highlighted that “in a city like London, it’s a very complicated place.... Not knowing where you’re going and trying to rely on a postcode and satnav is a very, very dangerous way to go”⁴.

Licensing regulations for PHVs need to be revised to reflect these changes and protect both passengers and other road users. We recommend that **licensing regulations for PHVs should be updated, and should include a mandatory enhanced topographical test for PHV drivers.**

The emergence of new app-based operating models also has serious implications for passenger and public safety, with many apps, including Uber, requiring drivers to accept jobs within around 30 seconds by tapping their phone. The use of mobile phones while driving is illegal, unless you have hands-free access such as voice command or a dashboard

² Oral evidence session two – Director of Service Operations at Transport for London, Peter Blake

³ Transport for London Road Safety reports <https://tfl.gov.uk/corporate/publications-and-reports/road-safety>

⁴ Oral evidence session one – General Secretary of the Licensed Taxi Drivers’ Association, Steve McNamara

holder, and this has implications for safety, as drivers are often distracted or forced to take their eyes off the road⁵. This does not of course preclude the safe use of apps like Gett and myTaxi. For example, Gett issues advice to their drivers which states that drivers should not pick up the device, or use the app in any way that causes driving to suffer. To use the app safely drivers must ensure that any phone cradle on the windscreen does not intrude into the drivers' field of vision, as set out in TfL's guidance⁶.

As an interim step **we recommend that individual licensing authorities or the local police should produce a code of conduct for the use of apps by taxi and PHV drivers**, to ensure that drivers are not using their phones whilst driving and putting passengers and other members of the public at risk. This code of conduct would clarify the actions that drivers are and are not allowed to do while driving. Over the longer term we suggest that the Government should also consider **including adherence to a code of conduct as a part of national minimum standards**.

2) Plying for hire

Under existing licensing regulations, licensed taxi drivers in London have to undergo around 8,000 hours of training to pass the Knowledge. Due to this high level of training and expertise, only licensed taxi drivers are allowed to ply for hire by picking up passengers from a rank or in response to being hailed. The Mayor of London, Sadiq Khan, has expressed support for the continuation of this two-tier system between taxis and private hire services, in order to "ensure the markets for licensed taxi drivers and private hire drivers are fair"⁷. This was echoed by Chair of Unite's cab section, Mike Hedges, who said that "we're very much in favour of maintaining the two-tier system for the private hire and taxi trade"⁸. The continuation of the current two-tier system was also supported by the Law Commission 2014 report, with an explicit statement that "'plying for hire' is one of the core legal concepts used to describe the work undertaken by taxis"⁹.

However, much of the evidence we received suggested that Uber drivers are illegally plying for hire. RMT highlighted that Uber's model encouraged this illegal activity. "If a vehicle is hailed in real time with the use of a device showing available vehicles on a map that is tantamount to plying for hire"¹⁰. These concerns have been present since as early as 2015, when the former Mayor proposed the introduction of a five minute wait time between ordering a PHV and it arriving, and banning operators from showing cars for hire within a smartphone app¹¹.

Since then the new Mayor of London, Sadiq Khan, has committed to lobbying Government for a statutory definition of playing for hire and pre-booked services as currently "plying for hire is difficult to prove and requires significant enforcement resources"¹². In his most recent Transport Strategy, released in June, the Mayor has reiterated that he will ask Government

⁵ The Highway Code, road safety and vehicle rules. <https://www.gov.uk/using-mobile-phones-when-driving-the-law>

⁶ OneRoute, TfL guidance 2017. <http://content.tfl.gov.uk/onroute-issue9.pdf>

⁷ Mayor's Taxi and Private Hire Action Plan 2016 <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

⁸ Oral evidence session three – Chair of Unite's cab section, Mike Hedges

⁹ Law Commission report 2014

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/314106/9781474104531_web.pdf

¹⁰ Written evidence- RMT

¹¹ Private Hire regulations review 2015 <https://consultations.tfl.gov.uk/tph/private-hire-regulations-review/>

¹² Mayor's Taxi and Private Hire Action Plan 2016 <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

to introduce legislation to provide statutory definitions of plying for hire and pre-booked services to clarify the difference between taxi and private hire services”¹³.

The 2014 Law Commission report also recommended that a statutory definition of “pre-booking” should be introduced in order to create a clear distinction between the work of a taxi in its licensing area and the work of a private hire vehicle. This call for more precise definitions on “plying for hire” was supported by just under half of respondents to our written call for evidence¹⁴.

We urge the **Government to legislate to provide a legally enforceable statutory definition of plying for hire**. The Government should also clarify its position on taxi and PHV regulation and the future of the two-tier system by **issuing its long overdue response to the Law Commission 2014 report on taxi and PHV licensing** as soon as possible.

3) Cross border hiring

The Deregulation Act 2015 introduced a new measure that allows a PHV operator to sub-contract a PHV booking to another operator who is licensed in a different licensing district¹⁵. In practise this has allowed PHV drivers to be licensed in one area, and operate in a different area – known as “cross border hiring”. Written and oral evidence submitted to this inquiry has shown that this provision in the law is increasingly being used by drivers and operators to circumvent licensing regulations or allow them to operate in an area where the operator has been refused a license.

The practise of cross border hiring prevents licensing authorities from being able to effectively regulate the vehicles operating in their area, and implement more rigorous licensing requirements. For instance, Reading Borough Council denied Uber an operator’s licence last year as it did not meet the Council’s licensing conditions, but Uber drivers continue to operate in the area under licences from Slough and Windsor borough councils¹⁶. In our second evidence session, TfL said that “our power to enforce cross border hiring is virtually nothing”¹⁷. This has had serious implications for public and passenger safety across the UK, most significantly in Rotherham.

In response to the identification of the role that inadequate taxi and private hire vehicle licensing played in the child exploitation scandal, Rotherham Metropolitan Borough Council (RMBC) has implemented “one of the most stringent licensing regimes in the country”¹⁸.

This included:

- Enhanced DBS checks
- Certificate of Good Conduct for any driver that has resided outside the UK
- A range of tests, including: Literacy and numeracy, Child / adult safeguarding awareness, Disability awareness (including physical and sensory disability), Road Safety, Basic vehicle maintenance, Customer care, Local knowledge

¹³ Mayor’s Transport Strategy 2017 <https://www.london.gov.uk/what-we-do/transport/our-vision-transport/draft-mayors-transport-strategy-2017>

¹⁴ Law Commission report 2014 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/314106/9781474104531_web.pdf

¹⁵ Deregulation Act 2015 <http://www.legislation.gov.uk/ukpga/2015/20/contents>

¹⁶ The Guardian <https://www.theguardian.com/technology/2017/feb/17/uber-exploiting-loophole-to-spread-tentacles-across-uk-gmb-union-says> February 2017

¹⁷ Evidence session two – General Manager for London Taxi and Private Hire at TfL, Helen Chapman

¹⁸ Sarah Champion MP written evidence

- BTEC Level 2 Certificate in the Introduction to Role of the Professional Taxi and Private Hire Driver.
- Sign a code of conduct for vulnerable passengers
- Dress code
- Suitable equipment, capable of recording both audio and video, must be installed in all licensed vehicles. Video recording must be on at all times and audio recording must be activated when transporting a child under 18 or a vulnerable adult

In response to this inquiry, Sarah Champion MP (Labour, Rotherham) said that “it is deeply concerning, however, that these efforts are potentially being damaged by provisions within the Deregulation Act that allow for cross border hiring” and “risks undermining the robust standards set by RMBC”. She added that during meetings with local authorities, and representatives from the trade, she has continued to hear that cross border hiring – as permitted in the Deregulation Act – is increasingly being used to “circumvent licensing rules”.

The problems linked to cross border hiring are also compounded by the variation in licensing standards across the country. During our final evidence session the Head of Regulatory Affairs for Addison Lee, Dr Michael Galvin, highlighted that in some areas of country such as Luton, drivers do not even need a DBS check to receive a licence. It is unacceptable that drivers are not screened for criminal convictions before being allowed to carry passengers.

Cross-border hiring, and the absence of a national database of taxi and PHV drivers, means that local authorities do not currently know whether a driver has had their licence revoked by a different council. General Secretary of the Licensed Taxi Drivers Association, Steve McNamara, highlighted that drivers who have had their licensed revoked in one area, for penalty points sharing, are seeking and being awarded licenses in a different area. In his evidence, he stated that “Southend Borough Council revoked some licenses to some drivers in Southend as a result of some criminal convictions, and shortly afterwards they were found to be working in Southend again, this time licensed by TfL and working on the Uber app”¹⁹.

In reaction to these concerns, the Communities and Local Government Select Committee report on *Government interventions: the use of commissioners in Rotherham Metropolitan Borough Council and the London Borough of Tower Hamlets* recommended that local authorities should be able to apply particular measures in relation to taxi licensing in their areas, such as requiring taxis to have CCTV installed, without these measures being undermined by taxis coming in from other areas²⁰. The Mayor of London has suggested that this could be done by introducing a clear definition of cross border hiring – “introducing a requirement to ensure a journey either starts or ends in the area for which the driver and vehicle are licensed will still allow flexibility to undertake return journeys. A similar requirement exists in New York City”^{21,22}. A clear definition for cross border hiring, such as this, was also supported by a significant number of respondents to this inquiry.

¹⁹ Evidence session one – Steve McNamara, General Secretary of the Licensed Taxi Drivers Association. Supported by press report in *The Times*. <https://www.thetimes.co.uk/article/criminals-dodge-council-ban-to-drive-for-uber-ntzgc73vn> January 2017.

²⁰ Communities and Local Government Select Committee report on *Government interventions: the use of commissioners in Rotherham Metropolitan Borough Council and the London Borough of Tower Hamlets* August 2016 <https://www.publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/42/42.pdf>

²¹ Mayor's Taxi and Private Hire Action Plan 2016 <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

²² Mayor's Transport Strategy 2017 <https://www.london.gov.uk/what-we-do/transport/our-vision-transport/draft-mayors-transport-strategy-2017>

Chair of the Communities and Local Government Select Committee, Clive Betts MP said that he can “see a case for national guidelines”; this was also recommended by the aforementioned DLCG Select Committee²³. The Policing and Crime Act 2017 stated that the “Secretary of State may issue guidance to public authorities as to how their licensing functions under taxi and private hire vehicle legislation may be exercised”²⁴. During oral questions in Parliament, the then Parliamentary Under Secretary of State at Department for Transport, Andrew Jones, committed to consulting on this guidance “as soon as the Policing and Crime Bill has reached Royal Assent”²⁵. The Policing and Crime Act received Royal Assent on 31st January 2017 and, as yet, there has been no sign of a Government consultation.

We believe that the Government should, at the earliest opportunity, **consult on statutory guidance for taxi and PHV licensing and the proposed guidance should set out a robust set of minimum licensing standards for all licensing authorities to impose.** To stop the exploitation of cross border hiring, the **Government should also consider legislating to create a statutory definition of cross border hiring whereby a journey must “begin or end in the licensing authority”.**

4) Cap on PHVs

Numerous respondents to our inquiry highlighted the problems caused by the huge influx of PHVs into London, in particular their impact on congestion and air pollution.

In 2015, experts from King's College London found that in 2010 there was the equivalent of 5,900 deaths associated with NO₂ long term exposure and 3,500 deaths as a result of long-term exposure to PM_{2.5}. A recent report by the London Assembly Transport Committee, *London Stalling*, found that the number of PHVs entering the congestion zone has increased by 54% since 2013 and repeatedly referred to the increase of PHVs as a cause of rising congestion²⁶. TfL performance reports have also shown that average vehicle speeds on major roads have decreased by 0.3 mph to 17.3 mph, 1.4% lower than Q4 2015/16 and 2.6 mph slower than the fourth quarter of 2012/13²⁷.

Clearly, the status quo is no longer sustainable. A significant number of respondents to our call for evidence suggested that TfL should cap the number for PHV licences issued in the capital. A cap on PHVs in London is supported across both the London PHV and taxi industries, with Chair of the United Private Hire Drivers union, James Farrar, saying that “we need a cap - we need to control the number of vehicles and licences that we put on the streets”²⁸. The *Saving the Black Cab* report from Policy Exchange, an independent think tank, also recommended “that the number of private hire vehicle licences be capped. A cap could be applied as an absolute number, or as a monthly or annual cap for new licenses”²⁹.

TfL does not currently have the power to implement a cap, but General Manager for London Taxi and Private Hire at TfL, Helen Chapman, stated that cross border hiring would also limit

²³ Oral evidence session one - Chair of the Communities and Local Government Select Committee, Clive Betts

²⁴ Policing and Crime Act 2017, <http://www.legislation.gov.uk/ukpga/2017/3/contents/enacted>

²⁵ Transport oral questions, September 2016 <https://hansard.parliament.uk/commons/2016-09-15/debates/C0539168-F24C-490E-B0EE-C98DA95D050E/TaxisAndPrivateHireVehicles>

²⁶ https://www.london.gov.uk/sites/default/files/london_stalling_-_reducing_traffic_congestion_in_london.pdf

²⁷ <http://content.tfl.gov.uk/tlrm-performance-report-q4-2016-17.pdf>

²⁸ Oral evidence session three - Chair of the United Private Hire Drivers union, James Farrar

²⁹ *Saving the Black cab* report Policy Exchange https://policyexchange.org.uk/wp-content/uploads/2016/10/PEXJ4921_Saving_the_black_cab_13102016_WEB_V4-1.pdf October 2016.

the effectiveness of a cap - “You can put any cap you want on the numbers in London, but if a driver can come in from Epping or Slough or Birmingham, then that’s not going to solve the issue – in fact it’s going to compound the issue even further”. However, she confirmed that a cap would be desirable, only if the problem of cross border hiring could be solved³⁰.

In the Mayor’s recent Transport Strategy, the Mayor said that he will ask Government to devolve the powers to limit the number of PHVs licensed for use in London, so as to manage their contribution to congestion.

We therefore recommend that the Government legislates to solve the problem of cross border hiring and **should devolve the power to cap the number of PHVs to the Mayor/TfL in London, and to other Mayors and combined local authorities who request it.**

5) Effectiveness of TfL

TfL’s inability to limit the number of PHVs that are licenced in London has caused immense frustration in the taxi trade, and has been perceived as TfL refusing to implement actions to effectively regulate the PHV industry. This is primarily because there is a lack of awareness of what TfL can and can’t do. For example, one taxi driver said “TfL claim to be a regulator but are destroying the trade, continuing to licence PHVs with no cap in sight”. In fact, 51% of respondents to our inquiry believes that there are problems with how TfL regulates and interacts with the taxi and PHV industries in London³¹.

The lack of communication from TfL is not limited solely to the taxi industry. James Farrar highlighted that private hire drivers are not allowed to represent themselves to TfL, and are instead solely represented by the operator; “there is no dedicated representation for private hire drivers, and we can’t ever be part of the solution”³².

The frustrations of both the PHV and taxi industry were recognised by TfL and both Head of Service Operations at TfL, Peter Blake, and General Manager for London Taxi and Private Hire at TfL, Helen Chapman, confirmed that they are committed to working with stakeholders from across the PHV and taxi industry to improve communication channels³³.

We recognise that TfL have made some improvements in their communication, however we recommend that **TfL should review its mechanisms for communicating with both the taxi and PHV trades to allow it to better demonstrate the work it is doing. Both trades must also look to take a more constructive and open approach to engagement with the regulator.**

³⁰ Oral evidence session two - General Manager for London Taxi and Private Hire at TfL, Helen Chapman

³¹ Written evidence submitted to the inquiry

³² Oral evidence session three - Chair of the United Private Hire Drivers union, James Farrar

³³ Oral evidence session two – General Manger for Taxi and Private Hire at TfL, Helen Chapman, and Head of Service Operations at TfL, Peter Blake.

Recommendations to improve the effectiveness of regulation

1. The Government should support TfL in its efforts by **reviewing the Private Hire Vehicles (London) Act 1998 to ensure that it is fit for purpose for the digital age.**
2. **Licensing authorities/ local police should produce a code of conduct for the use of apps by taxi and PHV drivers** to ensure that they are not using their phones whilst driving and putting passengers and other members of the public at risk. This is a short term measure to address the dangers associated with the use of apps whilst driving. The Government should also consider including adherence to a code of conduct as a part of national minimum standards.
3. To stop the exploitation of cross border hiring, the **Government should consider legislating to create a statutory definition of cross border hiring whereby a journey must “begin or end in the licensing authority”.**

The Government must also, at the earliest opportunity, consult on statutory guidance for taxi and PHV licensing and the proposed guidance should set out a robust set of minimum licensing standards for all licensing authorities to impose.

These standards must include mandatory disability equality training and enhanced DBS checks for both taxi and PHV drivers.

Local authorities should still have the freedom to impose any standards over and above this, should they feel that this appropriate in response to local challenges or market conditions, at their own discretion.

4. **The Government should legislate to provide a legally enforceable statutory definition of plying for hire.** The Government must also clarify its position on taxi and PHV regulation and the future of the two-tier system by issuing its long overdue response to the Law Commission’s 2014 report on taxi and PHV licensing as soon as possible.
5. **In London, the regulator, TfL, should review its mechanisms for communicating with both the taxi and PHV trades and look at how these could be improved. Both trades must also look to take a more constructive and open approach to engagement with the regulator.** This would allow the regulator to work more closely and effectively with the industries on issues of common concern and to better champion their interests with Government.
6. As part of its plans to devolve further powers to local authorities, **the Government should consider granting the Mayor/TfL, in London, the power to cap the number of PHVs, and any other Mayors and combined authorities who request it.**

2.2 Promoting passenger and public safety

Concerns about passenger and public safety in the UK's major cities are causing local policy makers to look anew at the future for the taxi and Private Hire Vehicle (PHV) industries. However, this has not yet been translated into policy changes or action at the national Government level. This section of the inquiry considers the most pressing concerns for passenger safety and recommends a number of solutions.

1) Hire and reward insurance

All taxis and PHVs are required to hold 'hire and reward' insurance whenever they are carrying a passenger. Hire and reward insurance protects passengers in licensed taxis and PHVs as it ensures that individuals are able to reclaim any loss sustained as a result of an accident. Without this insurance in place, passengers may not be able to reclaim costs, or claim compensation, following an accident or inquiry.

However, TfL currently has no way of confirming whether a PHV has a hire and reward policy in place after their initial licensing. Police and Enforcement Officers are also only able to tell whether a vehicle is insured or not, rather than what type of insurance the driver holds. This means that a minority of PHV drivers are currently able to take out hire and reward insurance when applying for a license, then subsequently cancel it once approved, replacing it with a 'social and domestic pleasure' license that saves thousands of pounds in cost. As a result Steve McNamara, General Secretary of the Licensed Taxi Drivers Association, currently estimates that around 10% of PHVs are not appropriately insured³⁴.

The Mayor of London, Sadiq Khan, has recognised this issue and has tried to make it mandatory for PHVs to have full hire and reward insurance for the duration of a licence, through his Taxi and Private Hire Action Plan 2016³⁵. However, this was overturned by the High Court in March 2017, as it was not considered necessary to protect public safety³⁶. To guarantee public safety, we recommend that the Government legislates to ensure that PHVs are required to have full hire and reward insurance for the duration of a license. We also urge the Government to explore the potential for **PHV operators to have their own "hire and reward fleet insurance, covering all their registered drivers and vehicles"**. This would transfer the responsibility for vehicle insurance from the driver to the operator, and is the only way of guaranteeing that **all minicabs have full hire and reward insurance in place at all times**.

2) Accessibility

Taxis are an essential part of disabled peoples' independence, as they are often unable to drive or use public transport. In recognition of this, all black cabs licensed by TfL must be wheelchair accessible. The same criteria does not apply to PHVs and there have been a growing number of access refusal cases, either of wheelchair users or assistance dog owners, across both the taxi and PHV trades. Written and oral evidence from the Guide Dogs Association shows that three quarters of assistance dog owners have been refused entry to businesses and taxis because of their dog³⁷. The emotional impact of facing this kind of discrimination when attempting to carry out every day travel and activities takes a

³⁴ Evidence session one – Steve McNamara, General Secretary of the Licensed Taxi Drivers Association

³⁵ Mayor's Taxi and Private Hire Action Plan 2016 <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

³⁶ *Guardian* article March 2017 - [Uber loses court case to block English-language written test in London](#)

³⁷ Oral evidence session one – Guide Dogs representatives and written evidence

significant toll on disabled people, leading to a loss of confidence and independence. Assistance dog owner, Sue Eyles, summed this up in a very moving session:

“I was refused a taxi in September last year. I phoned up to book the taxi, so it wasn’t like I just wanted one then and there... [and] out of courtesy – right at the end I said “by the way, I’ve got a guide dog”, and they refused. I said “you can’t refuse me”, and they decided to argue, and I said “no, unless you’ve got an exemption certificate” – the driver has to have a medical exemption certificate – I said “you can’t refuse”, and they said they were self-employed, I said “it doesn’t make a difference”, and they just still wanted to refuse. In the end I said, “Okay, that’s fine I’ll report you, and will aim to prosecute you”, and that was what I have had to do. But how that left me feeling, once I put the phone down, because I wasn’t going to get into an argument with this person. I was crying. I said why am I now a second class citizen? Why don’t you want my money, isn’t it that I’m as good as the next person? That then... spoilt my whole day. I then had to then think about finding another taxi, and where are they going to take me? How was I going to get home? Did I ever want to visit that place again? And it takes us years to build up the confidence to go out and be independent, and that taxi refusal destroyed me within seconds.”

Earlier this year the Government introduced a fine of £1,000 for taxi and PHV drivers who refuse to transport wheelchair users or attempt to charge them extra³⁸. While we welcome this initial step, further action is needed in order to stop discrimination against disabled passengers and we believe that drivers need a full and practical understanding of legislation set out in the Equality Act. We recommend that the Mayor of London and TfL takes immediate steps to ensure that **all PHV and taxi drivers in London undertake mandatory disability equality training and an associated test**, and that the Government also introduces this training as part of their statutory guidance for taxi and PHV licensing.

It is also crucial that all drivers have a good command of English. In our evidence session with Guide Dogs UK, assistance dog owner Sue Eyles also spoke of the barriers she faced when trying to communicate with drivers.

“It’s all down to communication. He needs to tell me – am I at the front of the car? Am I at the back of the car? Where does he want my dog to go? And so you have that split second where you don’t know. You’ll get another taxi driver who will then speak to you, and address you – “what do you need me to do?” and it’s all down to training. Whenever I do any training with someone, I say there’s only one thing you’ve got to learn when dealing with a visually impaired person, and that’s communication. Talk to them, because as a guide dog owner or as a blind person I will tell you what I need. But if I don’t know you’re there in front of me then I can’t talk to you. If they don’t have a good command of English, you are straight away faced with yet another barrier.”

She also highlighted that drivers must also have written language skills, in order to communicate with people who are hard of hearing³⁹. **Therefore we recommend that the Mayor of London should stand by his decision to introduce a spoken and written English language test for PHV drivers.**

³⁸ Department for Transport announcement. 7 February 2017 <https://www.gov.uk/government/news/law-change-demands-equal-treatment-for-disabled-taxi-users>

³⁹ Oral evidence session one – Assistance dog owner Sue Eyles

3) Driver training and skills

Taxi drivers in London invest around 8,000 hours of training for the Knowledge in order to obtain a licence. As a result London black cab drivers are world renowned for the quality of their training and for providing a gold standard service. By contrast, the barriers to getting a PHV licence are low and inconsistent, putting passenger and public safety at risk from untrained drivers. In particular, PHV drivers are not required to undertake an advanced driving test or undergo any topographical test.

There have been numerous reports of PHV drivers causing accidents or collisions, due to their reliance on satnavs for navigation. Indeed General Secretary of the Licensed Taxi Drivers' Association, Steve McNamara, said "As a result of relying on satellite navigation with no knowledge at all, the number of minor damage only accidents in London, anecdotally, is probably at an all-time high"⁴⁰. One driver said that he almost had a head on collision with a PHV on Tottenham Court Road, as the PHV driver was unaware that was a one-way street⁴¹.

TfL has recognised that this is an issue, and has taken steps to increase drivers' topographical knowledge. General Manager for London Taxi and Private Hire at TfL, Helen Chapman, said that they are looking at enhancing the topography tests for PHV drivers and turn it into a wider driver assessment⁴². The Mayor also included the introduction of an enhanced topographical test for private hire drivers in his Taxi and Private Hire Action Plan 2016⁴³. **We recommend that all licensing authorities, including the Mayor of London and TfL take immediate steps to introduce a topographical test for PHV drivers, as well as an enhanced driving test.**

Recommendations to ensure passenger and public safety

12. TfL should take a **more active and rigorous approach to applying the fit and proper person test to taxi and PHV drivers and operators** to ensure that it is meeting its obligation to protect public safety.
13. All licensing authorities, including the Mayor of London and TfL should take immediate steps to strengthen PHV regulation to ensure that all PHV are insured and that drivers have the skills and knowledge to ensure public safety. These should include:
 - Introducing an **enhanced driving test for minicab drivers**
 - Introducing a **limited topographical test for PHV drivers**
 - Introduce **mandatory disability equality training and an associated test** for all PHV and taxi drivers
 - The Mayor of London should stand by his decision to introduce an English **language test for PHV drivers with both spoken and written elements**, in recognition of the importance of both skill sets in communicating with those with additional needs and disabilities. We further recommend that other

⁴⁰ Evidence session one – Steve McNamara, General Secretary of the Licensed Taxi Drivers Association

⁴¹ Written evidence from taxi driver

⁴² Oral evidence session two - General Manager for London Taxi and Private Hire at TfL, Helen Chapman

⁴³ Mayor's Taxi and Private Hire Action Plan 2016 <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

licensing authorities should follow suit.

14. It is vital that all taxis and PHVs are insured to protect passengers and the wider public. The Government should legislate so that **all minicab operators have operators' insurance to ensure that vehicles have full hire and reward insurance in place at all times**. At the very least, hire and reward insurance should be in place for the duration of the license period and a license should not be issued without this.

2.3 Future of the taxi trade

The recent changes across the taxi and PHV market, which have been discussed throughout this inquiry, have made the future of the taxi trade increasingly uncertain. All the taxi drivers that submitted written evidence to this inquiry highlighted a subsequent decrease in work opportunities and an average 30% reduction in revenue, causing many to leave the trade⁴⁴.

As a result, the officers of the APPG were keen to consider the future of the trade and ways in which the taxi trade could be supported, as well as demonstrating the positive steps that the taxi trade are already taking to adapt to the needs of Londoners in the 21st century.

1) Zero emission taxis

Taxi drivers are proud to be leading the shift to low-emission vehicles in London, with all new taxis required to be zero emission capable from 2018. Indeed, a survey of 2,000 taxi drivers revealed that 80% were “interested or very interested” in the new zero-emission vehicle⁴⁵. However, many of the drivers that replied to the survey have concerns about the potential cost of this new cab and this has been compounded by recent changes to Vehicle Excise Duty (VED). These changes are likely to impact on the uptake of new taxis, potentially damaging the much-needed shift to low-emissions vehicles necessary to help reduce London’s pollution problem⁴⁶.

In April 2017, the Government introduced a premium level of VED for vehicles costing more than £40,000, including all zero emission vehicles. Under the changes, taxi drivers who purchase a new ZEC taxi will not pay the standard rate of vehicle tax at first registration – which is based on a vehicle’s CO2 emissions, with nothing to pay for ZEC vehicles – however they will have to pay a supplement of £310 per year for the first five years the vehicle is registered. This applies to all vehicles with a list price of £40,000 or more and will mean cabbies pay an extra £1,550 in VED over five years.

This is counterproductive given that both TfL and the Government, through the Office for Low Emission Vehicles (OLEV), are planning to provide grant funding to make these specialist vehicles more affordable in recognition of their strategic importance in helping to meet national air quality objectives. The Government is effectively significantly reducing the grants it has already agreed are necessary to encourage drivers to shift towards lower emission vehicles, which will slow down the uptake of the new ZEC taxi. We recommend that **the Government incentivises and facilitates the take up of the new zero emission black cab by creating an exemption from this additional rate of VED for the new cab.**

Many drivers have also said that it will be difficult for them to make the change to this new cab until there is rapid charging infrastructure in place, which would allow drivers to charge their taxi during their breaks⁴⁷. While we recognise TfL’s recent commitment to roll-out new charging infrastructure, with 75 new chargers introduced before the end of this year and 150 by the end of 2018, more needs to be done to ensure that there is **adequate rapid charging infrastructure in place to support the use of the new ZEC taxi.**

⁴⁴ Written evidence submitted to this inquiry

⁴⁵ Evidence session 3 – David Ollier, Head of Communications & Public Affairs at The London Taxi Company

⁴⁶ Evidence session 3 – David Ollier, Head of Communications & Public Affairs at The London Taxi Company

⁴⁷ Written evidence submitted to this inquiry

2) Congestion charge

Congestion is a huge problem facing London, with significant negative impacts on air pollution and businesses. TfL estimates that the total cost of annual vehicle delays on London's roads is £5.5billion. The introduction of the congestion charge in 2003 was designed to reduce levels of traffic, and associated impacts. However, given the negative impact that congestion is currently having in the capital, this inquiry aims to assess whether this charge should be updated.

At present neither taxis nor PHVs are required to pay the congestion charge. From 2018 all new taxis will be zero emission capable, and in his recently published Transport Strategy, the Mayor of London stated that he aims to have half of all taxis currently in London zero emission capable by 2020⁴⁸. Given this commitment from the trade it is logical that **the Mayor continues to exempt taxis from the ULEZ**. However, given that PHVs significantly contribute to levels of congestion and air pollution in the capital, and do not have to abide by the same zero emissions standards until 2023, **we recommend that PHVs pay the congestion charge**.

3) Maintaining competitiveness of the trade

It has been suggested that taxi drivers are being driven out of the market by the dominance of app-based PHVs, partly due to an unwillingness from the trade to adapt to new technologies. This inquiry sought to assess whether this is the case, and how the trade could safeguard itself from the emergence of new technologies and competition.

Oral and written evidence received as part of this inquiry has shown that taxi drivers are more than willing to adapt and use new technologies. For instance, Chairman of the taxi app Gett, Geoffrey Riesel, highlighted that many taxis have actually been taking credit card payments since as early as 1989/90 – around 17 years before TfL made it mandatory⁴⁹. There are also two apps available for black cab drivers, mytaxi (previously known as Hailo) and Gett. Andrew Pinnington, CEO of mytaxi which runs the black cab app mytaxi, highlighted that Hailo was around before Uber, and that two-thirds of the trade use apps⁵⁰.

Some anecdotal evidence also suggested that app-based PHVs supposedly offer additional safety features, as people are able to track their friends or loved ones. However, Andrew Pinnington, clarified that both the apps available to black cab drivers do “absolutely the same, if not more”, allowing people to live track a passenger⁵¹.

Instead, the representatives from mytaxi and Gett suggested that price is the major difference between PHVs and taxis. Andrew Pinnington said that the data from mytaxi showed that black cabs are losing market share during longer journeys at off-peak hours and later at night⁵². The *Saving the Black Cab* report from Policy Exchange also highlighted that

⁴⁸ Mayor's Transport Strategy 2017 <https://www.london.gov.uk/what-we-do/transport/our-vision-transport/draft-mayors-transport-strategy-2017>

⁴⁹ Oral evidence session three - Chairman of the taxi app Gett, Geoffrey Riesel

⁵⁰ Oral evidence session three – CEO of mytaxi Andrew Pinnington

⁵¹ Oral evidence three - CEO of mytaxi Andrew Pinnington

⁵² Oral evidence three – CEO of mytaxi Andrew Pinnington

black cab fares at night are too high, but fares for typical journeys in the day are not “dramatically higher”⁵³.

As the regulator in London, TfL is responsible for reviewing and setting taxi fares and tariffs. The *Saving the Black Cab* report recommended that TfL should reduce night time fares by removing the “premium tariff” that applies between 10pm and 5am⁵⁴. The taxi apps, mytaxi and Gett offer some flexibility within TfL’s fare structure, as drivers and customers have the choice to either pay meter or fixed fare.

Fixed fares confirm the price of a ride before it begins and is calculated based on what live traffic levels are like. Anecdotal evidence shows that they are popular with passengers as they protect customers from ‘meter shock’, especially for longer journeys at off-peak hours, and drivers are guaranteed a minimum equivalent per hour for the length of the journey. Many black cab drivers support the use of fixed fares for specific trips, such as to Heathrow Airport, but evidence from the Licensed Taxi Drivers Association shows that some drivers remain extremely sceptical about the benefits, and how these fares are calculated.

As it currently stands, the fare structure, set by TfL, is not fit for purpose and is reducing the competitiveness of the taxi trade. Fares need to reflect the actual costs of running a black cab, and we are keen to ensure that any reduction in fares does not lead to a race to the bottom in terms of standards. However, fares also need to consider other factors including varying levels of demand and competitive and customer feedback. Purely relying on a “cost-plus” model, which is the actual cost of the product plus a suggested price increase, will not allow the taxi trade to stay competitive.

We recognise that TfL are already taking steps to review fixed fares, but we recommend that there is **greater communication between TfL, representatives from the taxi apps, and the trade** to ensure that the taxi fare structure remains competitive with prices offered by PHVs, particularly in the evening and at night.

A significant number of written evidence submissions from taxi drivers stated that Uber had introduced “predatory pricing”, which did not reflect the true costs of running a vehicle. Secretary of the GMB Professional Drivers’ Branch, Steven Garelick, said that Uber has flooded the market with drivers, which obviously has a detrimental impact on drivers’ incomes⁵⁵. Chair of the United Private Hire Drivers union, James Farrar, also said this was the case. However, he said that setting a minimum fare was not the right solution. He recommended that TfL, and relevant authorities, ensured that all drivers received the national minimum wage⁵⁶.

Uber currently claims that it is not required to provide its drivers with basic workers’ rights, including being paid national minimum wage and receiving paid holiday, as its drivers are self-employed. However, the London Employment Tribunal ruled last year that Uber drivers

⁵³ *Saving the Black Cab* report https://policyexchange.org.uk/wp-content/uploads/2016/10/PEXJ4921_Saving_the_black_cab_13102016_WEB_V4-1.pdf October 2016

⁵⁴ *Saving the Black Cab* report https://policyexchange.org.uk/wp-content/uploads/2016/10/PEXJ4921_Saving_the_black_cab_13102016_WEB_V4-1.pdf October 2016

⁵⁵ Oral evidence session three – Secretary of the GMB Professional Drivers’ Branch, Steven Garelick

⁵⁶ Oral evidence session three – Chair of the United Private Hire Drivers union, James Farrar

are Uber's employees and as such are entitled to receive holiday pay, a guaranteed minimum wage and an entitlement to breaks, following a court case brought GMB⁵⁷.

We urge the Government to **consider granting the Mayor/TfL the power to cap the number of PHVs**. This would prevent large companies flooding the market with vehicles, driving down prices. The Group also looks forward to reading the recommendations of the Taylor Review on modern employment practices, which we hope will clarify the rights of drivers and guarantee that they are paid at least the national minimum wage.

Recommendations to secure the future of the trade

1. To incentivise and facilitate take up of the new zero emissions black cab and to support drivers to make the transition to the cleaner vehicle in London and across the country, the Government must work with local authorities to ensure that:
 - **there is adequate rapid charging infrastructure in place to support the use of the new ZEC taxi;**
 - **the VED regime does not penalise those who purchase the new ZEC taxi.**
2. The Mayor of London and TfL should **ensure that taxis remain exempt from the ULEZ, in recognition of the trade's efforts to tackle air pollution**. However, when reviewing the congestion charge **TfL should introduce congestion charge for PHV vehicles**.
3. **In London, the regulator, TfL, should review its mechanisms for communicating with both the taxi and PHV trades and look at how these could be improved. Both trades must also look to take a more constructive and open approach to engagement with the regulator.** This would allow the regulator to work more closely and effectively with the industries on issues of common concern and to better champion their interests with Government.
7. As part of its plans to devolve further powers to local authorities, **the Government should consider granting the Mayor/TfL, in London, the power to cap the number of PHVs, and any other Mayors and combined authorities who request it.**

⁵⁷ GMB press release on court case. October 2016 <http://www.gmb.org.uk/newsroom/GMB-wins-uber-case>

3. Conclusion

The evidence submitted to this inquiry clearly demonstrates that maintaining the status quo is not an option. Transport for London have admitted that they are powerless to restrict the increasing numbers of private hire vehicles applying for licenses, and even if they were given the power, they could not prevent PHVs from neighbouring boroughs surrounding London from operating on London's streets.

Solving the unintended consequences of the Deregulation Act 2015 is crucial to repairing the broken system of local licensing regulation. The Government must step in to establish a minimum set of national licensing standards, ensure that PHV operators and drivers can no longer elude tough licensing requirements and provide TfL with the power to cap the number of PHVs operating in London. Without this power, the Mayor and TfL cannot tackle one of the significant causes of congestion and pollution in London.

The Mayor and TfL are making progress in addressing concerns over public safety, but need to act swiftly to prevent a loss of public confidence in the system. More needs to be done as well in ensuring that the most vulnerable in our society are not marginalised because PHV drivers do not have the required topographical and communication standards.

The taxi trade is on the brink of significant modernisation and is rapidly embracing new technologies to improve the service it offers and to remain competitive. However, it is clear that the trade requires significant support during this transition period and that without this we could see drivers leaving the trade at significant detriment to the UK.

The following recommendations seek to address these issues and we urge the Government and the relevant authorities to implement these actions, as soon as possible.

Recommendations

In light of the evidence gathered during this inquiry and in recognition of some of the very real problems and serious threats to passenger and public safety it has uncovered, members of the APPG have agreed the following recommendations.

Government

1. To stop the exploitation of cross border hiring, the **Government should consider legislating to create a statutory definition of cross border hiring whereby a journey must "begin or end in the licensing authority"**.

The Government must also, at the earliest opportunity, consult on statutory guidance for taxi and PHV licensing and the proposed guidance should set out a robust set of minimum licensing standards for all licensing authorities to impose.

These standards must include mandatory disability equality training and enhanced DBS checks for both taxi and PHV drivers.

Local authorities should still have the freedom to impose any standards over and above this, should they feel that this appropriate in response to local challenges or market conditions, at their own discretion.

2. **The Government should establish a national database of registered taxi and PHV drivers and operators in conjunction with the DVLA and police.**
3. **The Government should legislate to provide a legally enforceable statutory definition of plying for hire.** The Government must also clarify its position on taxi and PHV regulation and the future of the two-tier system by issuing its long overdue response to the Law Commission's 2014 report on taxi and PHV licensing as soon as possible.
4. As part of its plans to devolve further powers to local authorities, **the Government should consider granting the Mayor/TfL, in London, the power to cap the number of PHVs, and any other Mayors and combined authorities who request it.**
5. It is vital that all taxis and PHVs are insured to protect passengers and the wider public. The Government should legislate so that **all minicab operators have operators' insurance to ensure that vehicles have full hire and reward insurance in place at all times.** At the very least, hire and reward insurance should be in place for the duration of the license period and a license should not be issued without this.
6. To incentivise and facilitate take up of the new zero emissions black cab and to support drivers to make the transition to the cleaner vehicle in London and across the Country, the Government must work with local authorities to ensure that:
 - **there is adequate rapid charging infrastructure in place to support the use of the new ZEC taxi;**
 - **the VED regime does not penalise those who purchase the new ZEC taxi;**
 - **Drivers understand what is available to them in terms of grants and subsidies and these are readily available to them; and,**

The Government should also consider implementing a **national diesel scrappage scheme which applies to black cabs.** Finally, the Government should also **review the impact that the changes to vehicle excise duty could have on take up of the new ZEC vehicle and consider creating an exemption for ZEC black cabs from the additional rate of VED charged on vehicles with a purchase price of more than £40,000.**

Local authorities

7. **In London, the regulator, TfL, should review its mechanisms for communicating with both the taxi and PHV trades and look at how these could be improved. Both trades must also look to take a more constructive and open approach to engagement with the regulator.** This would allow the regulator to

work more closely and effectively with the industries on issues of common concern and to better champion their interests with Government.

8. The Mayor of London and TfL should **ensure that taxis remain exempt from the ULEZ, in recognition of the trade's efforts to tackle air pollution.** However, when reviewing the congestion charge **TfL should introduce congestion charge for PHV vehicles.**
9. The Government should support TfL in its efforts by **reviewing the Private Hire Vehicles (London) Act 1998 to ensure that it is fit for purpose for the digital age.**
10. **Licensing authorities/ local police should produce code of conduct for the use of apps by taxi and PHV drivers to sign up to,** to ensure that they are not using their phones whilst driving and putting passengers and other members of the public at risk. This is a short term measure to address the dangers associated with the use of apps whilst driving. The Government should also consider including adherence to a code of conduct as a part of national minimum standards.
15. All licensing authorities, including the Mayor of London and TfL should take immediate steps to strengthen PHV regulation to ensure that all PHV are insured and that drivers have the skills and knowledge to ensure public safety. These should include:
 - Introducing an **enhanced driving test for minicab drivers**
 - Introducing a **limited topographical test for PHV drivers**
 - Introduce **mandatory disability equality training and an associated test** for all PHV and taxi drivers
 - The Mayor of London should stand by his decision to introduce an English **language test for PHV drivers with both spoken and written elements**, in recognition of the importance of both skill sets in communicating with those with additional needs and disabilities. We further recommend that other licensing authorities should follow suit.

3.1 About APPG on Taxis

The All-Party Parliamentary Group on Taxis was established to support and promote the interests of the taxi trade in parliament, and to enable members of both Houses to have a platform from which to encourage debate on issues facing the taxi trade.

The APPG on Taxis is chaired by Wes Streeting MP (Labour, Ilford North), and sponsored by the LTDA, Gett and mytaxi

Our vice chairs are: Charles Walker MP (Conservative, Broxbourne), Virendra Sharma MP (Labour, Ealing Southall), Paul Scully MP (Conservative, Sutton and Cheam). Our treasurer is Tom Brake MP (Liberal Democrat, Carshalton and Wallington) our secretary is Yasmin Qureshi MP (Labour, Bolton South East).

3.2 Acknowledgements and disclaimer

The APPG on Taxis would like to express their thanks to the following groups:

- Officers of the Group
- MPs who attended the oral evidence sessions
- Sponsors of the Group (LTDA, Gett and mytaxi)
- All groups and individuals who submitted written and oral evidence to the inquiry

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either House or its committees. All-Party Parliamentary Groups are informal groups of Members of both Houses with a common interest in particular issues. The views expressed in this report are those of the group.

This report was compiled by Newington Communications, Secretariat of the All-Party Parliamentary Group on Taxis. The facts presented and views expressed in this publication are those of the APPG Members and the content has been agreed by Members. The content is not necessarily endorsed by the political parties of the Members of the Committee, the sponsors – the LTDA, Gett and mytaxi – or the Secretariat.