Transport Select Committee

Licensing of taxis and private hire vehicles

About UTG

The Urban Transport Group (UTG) is the UK's network of transport authorities. UTG represents the seven largest city region strategic transport bodies in England, which, between them, serve over twenty million people in Greater Manchester (Transport for Greater Manchester), London (Transport for London), the Liverpool City Region (Merseytravel), Tyne and Wear (Nexus), South Yorkshire (South Yorkshire Mayoral Combined Authority), the West Midlands (Transport for West Midlands), West Yorkshire (West Yorkshire Combined Authority), Derbyshire and Nottinghamshire (East Midlands Combined County Authority) and West of England (West of England Combined Authority).

Our wider membership includes Cambridgeshire and Peterborough Combined Authority, Strathclyde Partnership for Transport, Tees Valley Combined Authority, Translink (Northern Ireland) and Transport for Wales.

Our vision is for cities, towns, and local areas to be green, fair, healthy and prosperous places, supported by public transport and active travel options which provides access and opportunity for all.

Response

a. **Do current licensing arrangements and tools enable local authorities to effectively regulate and oversee the taxi and private hire vehicle (PHV) sector across England, in terms of safety, accessibility and quality of service? If not, what improvements could be made?**

Taxis and PHVs are an important component of the transport system. Taxis and PHVs are often taken when and where other transport alternatives are not available, such as late at night or to destinations which are not served by other modes. Taxis and PHVs are also more heavily used by socially disadvantaged groups due to a lack of alternative transport options. (UTG, 2017)

We welcome the existing and recently updated frameworks, including DfT best-practice guidance, national statutory requirements, like DBS checks and wheelchair carriage obligations under the Taxis and Private Hire Vehicles (Disabled Persons) Act 2022, which aim to enforce safety and accessibility standards.

These standards, which focus on safeguards like enhanced background checks and training, are non-legally binding but require licensing authorities to give them due regard when setting their own policies. In the Statutory Guidance for Taxi and Private Hire Licensing there are highlighted areas for training which should be carried out, such as safeguarding, disability awareness and an English language test. There is however no set standard for what the training should consider.

Conditions, vehicle ages, livery, CCTV, English-language policies, amongst other requirements vary across licensing authorities. The current standards are guidance, rather than a single code.

The existing legislative and regulatory framework has developed in an incremental way and has not kept pace with market and technological developments. With hackney carriage legislation almost 200 years old, and private hire legislation half a century old, it is the right time for a comprehensive review and refresh.

The 2014 recommendations of the Law Commission on taxi and private hire services have yet to be responded to comprehensively. As recommended by the Commission, legislation ought to be introduced to establish statutory national minimum standards and changes to enforcement rules which mean that enforcement officers can take action against any vehicle operating in their area, not only those licensed there.

Statutory national minimum standards for the licensing of taxis, PHVs, their drivers and operators can help avoid a race to the bottom in terms of standards and should particularly focus on ensuring public safety. National minimum standards should set a reasonable baseline for all licensing regimes, be they for rural or urban areas, and should be applicable and reasonable for operators of all sizes, from small family firms to multi-national corporations.

Legislation needs to be strong with clear supporting guidance similar to the Licensing Act 2003 to ensure that all councils are delivering the same high standards across the country. Beyond this national baseline, licensing authorities should be free to set higher standards where they see fit. For example, in a large urban area, licensing authorities may wish to set vehicle requirements which support air quality improvements.

Consideration should also be given to encouraging a consistent adoption of best practices across licensing authorities, e.g., mandatory CCTV or safeguarding assessments where risks have previously been identified.

b. What is the impact on the travelling public and drivers of variation between licensing authorities? Is reform needed to bring greater standardisation?

Variation in licensing creates problems for the public, drivers and licensing authorities, leading to inconsistent approaches to vehicle standards and safety, challenges presented by cross-border hiring, drivers seeking to be licensed in authorities with lower requirements. This results in inconsistent service standards for passengers, challenges in enforcement for authorities, and can reduce driver income due to oversupply, with the public even resorting to unlicensed services.

Several of our members have developed or are developing and implementing a common set of minimum licensing standards for taxi and private hire services in their areas across their licensing authorities. These local initiatives aim to rationalise standards across their area. These local moves ought to be further supported by a set of statutory national standards.

c. What would be the practical implications for licensing authorities and operators of more stringent or standardised licensing conditions in respect of safety, accessibility, vehicles and driver conduct?

Licensing authorities could see a higher administrative workload and potential requirement for more staff training and IT infrastructure. Licensing authorities will require adequate funding and resources to enable implementation of more robust inspections, CCTV requirements, accessible vehicle auditing, and safeguarding procedures. This investment is likely to have ongoing benefits, including fewer appeals if criteria mirror national guidance.

For operators and drivers, additional conditions are likely to present increased costs through retrofitting vehicles, training, licensing fees. In turn this investment would is likely to raise service standards and public trust, as well as encourage investment in modern, safe, and accessible fleets. Larger operators will be able to absorb such costs more quickly, whilst small operators might need phased timelines and grant support, especially for improving vehicle standards.

d. What steps should the Government take to address the challenges posed by cross-border licensing in the taxi and PHV sector?

The provision that enables private hire drivers to be licensed by one local authority while operating predominantly in another was originally intended to offer flexibility and support passenger choice, however, its practical implications have led to significant regulatory challenges.

The current system has created a fragmented regulatory landscape in which the standards applied to drivers are determined by the licensing authority that issued their badge, rather than the area in which they predominantly work. This has resulted in considerable disparities in enforcement, vehicle standards, and compliance costs across localities. Drivers operating in areas with more stringent licensing regimes are subject to higher standards, more frequent inspections, and increased financial burdens. Yet they must compete with drivers who gained their licenses in areas with lower requirements, who are not held to the same standards. This undermines the integrity of local licensing systems and creates an uneven playing field.

The issue has been exacerbated by the unintended consequences of the 2015 Deregulation Act, which permits private hire drivers licensed in any part of England or Wales to undertake pre-booked journeys in other areas. This legislative change has facilitated widespread cross-border activity, often without adequate oversight.

While cross-border operations can offer benefits, such as increased booking opportunities for drivers, improved service coverage for operators, and greater choice for passengers, the current model does not adequately reflect the realities of today's app-based, demand-driven transport environment. The disconnect between licensing location and operational activity has raised serious concerns around enforcement, public safety, and fairness.

This is not a failure of individual licensing authorities, but a structural issue requiring national intervention. Without statutory national standards and enhanced enforcement powers, the practice of "licence shopping", where drivers seek out authorities with lower fees or less rigorous requirements will persist.

To restore confidence in the system and ensure equitable standards across the sector, we urge the government to explore regulations that could give more local control to licensing conditions. This could include, for example, exploring conditions to require drivers to be licensed where they live, or using the 'ABBA' model ("A to B or B to A"), where a PHV journey must either start or end in the area where the driver, vehicle, and operator are licensed. This model was recommended by the Government's Taxi and PHV Working Group as the most effective solution to close the cross-border loophole.

These options ought to be explored alongside the introduction of statutory national minimum standards for taxis and private hire licensing, establishment of national enforcement powers to support consistent application of regulations, and the development of mechanisms

for mandatory data-sharing between authorities, building on reforms like the 2022 safeguarding sharing duties to facilitate oversight and accountability.

A coherent, nationally coordinated approach is essential to address the challenges posed by cross-border licensing and to uphold the integrity of local transport systems.

e. What would effective reform look like in terms of enforcement, passenger safety and safeguarding, and regulatory consistency? Is there a role for regional transport authorities?

As described above, statutory national standards across accessibility, safety, training, vehicle standards, operator conditions would reduce inconsistencies and improve the passenger experience. These should be complemented with the ability for local areas to go above and beyond these in line with their priorities and aspirations.

As is the case in some of our member authorities, higher local licensing standards can be collectively encouraged by the Strategic Transport Authority, bringing together local licensing authorities. This regional work could also support wider sharing and uptake of best practice, reducing inter-authority discrepancies and elevating standards.

At present, enforcement represents a challenge for licensing authorities, as they are only able to undertake enforcement action on vehicles and drivers licensed in their own areas. Therefore, there may be vehicles operating across borders, which do not meet locally set standards and requirements, but over which licensing and enforcement officers have no powers. Officers' powers are strongest over their own licensees and they rely on MoUs/joint authorisations for "out-of-town" drivers and still need the Police to stop moving vehicles.

Effective reform would see changes to enforcement rules which mean that enforcement officers can take action against any vehicle operating in their area, not only those licensed there

The Government's Devolution White Paper proposals included moving taxi and PHV licensing responsibilities from local authorities upwards to MSAs. UTG and our members see no case for, and no benefit in moving these licensing responsibilities from a local level as a blanket measure. Fundamentally, such changes would not address the core issues raised in this submission.

If a Mayoral Strategic Authority wishes to take on licensing powers, it should be **enabled but not mandated to do so.** It is for MSAs to determine their preferred model of taxi and PHV licensing, aided by appropriate "enabling" legislative provisions, rather than for government to impose a fixed model. This would follow and respect general devolutionary principles and enable MSAs to choose the most suitable approach locally.

f. How are digital ride-hailing platforms impacting standards in the sector, and is further regulation in this area required?

The taxi and PHV landscape has rapidly changed over the last decade, with digital ride-hailing platforms expanding across the country. These services can offer greater choice, convenience and ease of use for consumers. Existing positive features, such as digital audit

trails (who/when/where), in-app safety features, and rapid suspension capability can *exceed* legacy operator practices if mandated and monitored.

There are, however, concerns and drawbacks to the rapid expansion of digital ride-hailing. The rise of these digital platforms has had an impact on the local private hire industry, reducing competition and, in some cases, driving up prices. Stronger operator oversight and record-keeping is needed, including, for example, verified driver identity checks before every shift; live licence-status checks via the national API; and mandatory retention and share-on-request of booking/telemetry.

Regulations must also be made to mandate transparent fare and availability monitoring, and clear definitions of responsibilities between platforms, drivers and authorities.

Clear, statutory definitions of 'plying for hire' and 'pre-booked services' are also needed, as the current lack of clarity leads to ambiguity and challenges for enforcement, particularly in the light of expanding use of digital ride-hailing platforms.

g. How effective, accessible, and trusted are complaints and incident reporting systems in the taxi and private hire vehicle (PHV) sector, for both passengers and drivers?

The DfT Best Practice Guidance expects clear, accessible complaints routes (in-vehicle signage; LA websites) and for LAs to analyse trends. Reality is mixed, with many systems remaining fragmented and not well signposted. Authorities would benefit from tighter legislation and agreed systems of complaint reporting, investigations and action.

h. How effective is the National Register for Revocations, Refusals and Suspensions (NR3S). in supporting consistent licensing decisions across local authorities? What barriers, if any, are limiting its use or impact?

Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Act 2022 requires local authorities in England to record any refusal or suspension of a driver's licence on the NR3S database and for all new licence applications to be checked against this database.

The Register has been welcomed within the sector and has provided a central repository for use across the country to easily check the licence status of an individual. Barriers have however been identified in its practical application. This includes uneven uptake and timeliness of uploads, data-quality variance (what exactly is recorded), and occasional delays responding to follow-up info requests from the originating LA. This can take anything from a single day up to eight weeks in some cases which delays the application process for the requesting licensing authority.

Consideration should be given to urging authorities to upload supporting information for the suspension or revocation, at the time of the addition of the individual to the register. This would ensure that information is accessible at source and decision making improved.

i. What are the implications for taxi and PHV licensing of the future rollout of autonomous vehicles?

The Automated Vehicles Act 2024 creates a new safety framework, assigning responsibilities to “Authorised Self-Driving Entities” and setting out how vehicles can be permitted for self-driving. Government consultations are ongoing to shape permitting schemes, including accessibility, safety, and authority oversight.

For taxi and PHV services, this new technology will introduce new operator roles, including remote oversight, in-journey assistance, and require a revised driver/attendant licensing, and updated insurance and liability models. Licensing will also need to evolve to service operation not just drivers and vehicles and to set local conditions on pickup standards, accessibility, complaints for an AV-dispatched ride. Local authorities will need appropriate powers, resources and capacity to adapt to AV services.

AVs could improve accessibility and connectivity but raise new issues of liability, data transparency, cybersecurity, and operational oversight. Further practical challenges for local transport authorities also include considerations on integration with existing public transport networks and to what extent the physical infrastructure of the local highway network and traffic control centres can be made ready for AVs.