

**Transport Committee - 10 November 2015****Transcript of Agenda Item 6 – Private Hire Regulations Review**

**Valerie Shawcross CBE AM (Chair):** Moving to Item 6, can I warmly welcome our colleagues from Transport for London (TfL), Garrett Emmerson and Peter Blake. Garrett is the Chief Operating Officer, Surface Transport at TfL and Peter the Director of Service Operations. We were hoping to hear a little bit of introduction from you about the proposals in the Private Hire Regulations Review; and then we have questions about some of the more striking proposals, the rationale and impact, and the issues that we have picked up from our dealings and contact across the industry. We have all had some last minute briefings from quite a few of the key players in the industry, including Uber, who have been very vocal about it in the media.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** First of all, thank you very much for the opportunity to present to you and bring you up to date on where we are with what are a lot of developments.

You are obviously aware of the Private Hire Regulations Review and the consultation will be launched on 30 September, which we are going to talk about for most of the meeting. On the same day, we also produced our provisional strategy document, which I know is one of your very keen desires that we do and do quickly. It sets all of that in a wider context and so the first couple of minutes were by way of that wider context.

The strategy document itself draws together TfL's role as a strategic transport authority, integrating taxi and private hire into all modes of transport in London, the role we play as a regulator looking after the needs of the customer, as well as a licensing authority and enforcement body.

Crucially, it sets out a clear vision for the future and makes a clear statement around maintaining a clear distinction between the two types of service in London; between taxis hailed on the street and private hire. It sets out very clearly on slide 3<sup>1</sup> that taxis should remain instantly available on a street, should be boarded at a taxi rank or should be pre-booked and so on, that their fares should continue to be regulated, that we should continue to have conditions of fitness that ensure excellence in the standards of vehicles for the provision of wheelchair access, disabled passengers and so on, and that we maintain the premium standard of driver knowledge in terms of The Knowledge for London exam; whereas private hire vehicles should be a completely defined pre-booked service with a choice of operators so that customers can look at what best suits their needs, fares are determined entirely by the market and reflect the value of the service provided and, also, crucially - this is a point that plays to one of the regulations proposals - they should be more clearly specified to the customer before a commencement of journey and I know we are going to talk about that.

It also contains a whole host of other commitments, many of which you will be familiar with and I certainly will not dwell on them. Just running through some of them very briefly - on slide 5 - there is the work that we have done to develop cleaner, greener vehicles, both taxis and private hire vehicles, the commitment to move to zero-emission-capable vehicles in 2018 and so on.

Slide 5: cleaner, greener vehicles, as I mentioned; a commitment to introduce zero-emission-capable vehicles, supported by a rapid-charging infrastructure and indeed considerable financial support to enable that introduction cost-effectively; and a commitment to 100 new ranks in the Ranks Action Plan that we launched earlier in the year. I am pleased to say that 23 of those are already in and we expect there to be about 40 on

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<sup>1</sup> See presentation at Appendix 2 to the minutes

the ground by the end of this financial year. We are working very closely with the trade and the Ranks Committee, which they chair and lead, to identify the priorities for further ranks.

What is new in the document is a commitment to look at the accessibility of taxi ranks. You will be aware, obviously, that we have done a lot over a number of years to improve the accessibility of bus stops to build on the 100% accessible bus fleet. We felt it was appropriate that we should look to do the same thing at taxi ranks. We are doing survey work at the moment to identify condition and research to set a suitable standard. Once we have those things, we will look to set targets going forward to bring taxi ranks up to the same sort of standards of accessibility as bus stops. That is something that is new in the strategy.

**Valerie Shawcross CBE AM (Chair):** That is good, yes.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Moving on to slide 6, it formally commits us to introducing what we have termed a 'tougher' topographical test for private hire drivers, including new use-of-English requirements. This is the first stage in fulfilling the Mayor's commitment to a further regulatory requirement on use-of-English standards and that we will come back to in the regulations but we can certainly go some way in terms of the actual test itself and improving that, as well as introducing improved training and development for all drivers - private hire drivers in particular here - including mandatory disability-awareness training. In the longer term, we are looking to the possibility of developing a BTEC (Business & Technology Education Council) type of qualification that would not necessarily be mandatory but would look to, again, reflect the kind of thing that we already do with bus drivers to improve training and standards --

**Valerie Shawcross CBE AM (Chair):** Professional standards, yes.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** -- and support the professionalism within the trade.

You will be aware of course that we are consulting on a new set of private hire regulations. Peter [Blake] is going to talk about that in a minute. We are also continuing to progress new signage requirements and the trial that we have talked about previously with you, which you know that the private hire trade in particular is very keen on. We are working towards implementing mandatory credit card acceptance following the consultation we held earlier this year, which suggested that there was an overwhelmingly positive desire to see that. We are working currently with the credit card industry to make sure that we can do that on terms that are acceptable and favourable to both customers and, indeed, to taxi drivers, who will have to implement it.

On slide 8, we continue to invest in enhancing our enforcement. You will be aware of our commitment to double the number of our own officers by spring 2016. We have also been working closely with the Metropolitan Police Service (MPS) to enhance standards of knowledge amongst the police force generally - the Commissioner of Police of the Metropolis has committed to the Mayor to introduce formal training requirements for all police officers on taxi and private hire legislation and so on, which is something that, again, both trades have been concerned about - as well as tasking more of the 2,300-strong roads and traffic specialist police to focus on cab-related activities; and, indeed, we are continuing the ongoing operations, Operation Neon, Safer Travel at Night and the various other activities.

**Valerie Shawcross CBE AM (Chair):** That is actually continuing, is it?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** That is continuing and we made a commitment. As I have said previously, I felt it should continue as long as we needed it. We will continue to

review the appropriateness of size, scale and location, but it will continue as long as we feel there is a problem to be tackled, which there certainly still is.

**Valerie Shawcross CBE AM (Chair):** Very good. Great.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Then, specifically in relation to improving services for licensees - drivers, vehicle owners and operators - a new counter service went live in June 2015 and a new online application service for licences went live in July. We are already receiving 20% of our licence applications now online, which is a good start. We are looking to have a bigger push on that next year as the process beds in. It is certainly the fastest way to get a licence renewed and, again, we will talk about licence renewals and issues with that in a second.

The other thing we have been doing is focusing on providing better information for drivers to be of more use to them. We have a new 24-hour Twitter service, which is both proactive in terms of putting out information and reactive in terms of responding to drivers' queries and questions around enforcement and things like that. It is now very much up and running. We are producing a weekly roads information and licensing bulletin to give drivers as much information as we can about the state of the road network and issues around it, roadworks and so on, which I hope is valued. Then we have started now producing a bi-monthly online magazine, which is a more in-depth opportunity to look at some of the issues and get information out there and to ensure that people can see what it is we are doing, why we are doing it and what the issues are behind it.

Finally, it is not in the strategy document itself, but you will be aware of the ongoing issues that we once again have around the Disclosure and Barring Service (DBS) timescales and the length of them and the holding up of some drivers' licence renewals. We have been very acutely aware of this and have been working closely with the MPS. We have, indeed, seconded six of our own staff across to the MPS since September to help them clear the backlog.

We were also asked at the last Cabbies Cabinet by the trade whether we would consider again the issue of temporary licences, which is something that we have looked at in the past and had concluded at the time that since we felt that the problems with the transfer from the Criminal Records Bureau (CRB) to DBS would get resolved and then we would need to move on, there was not a need to do that. It has perhaps become clear now that this is something of an ongoing issue. Therefore, they asked us if we would review that and look to make exceptions where drivers or licensees had applied sufficiently far in advance or reasonably far in advance.

We have done that. I can announce today - and there will be a trade bulletin going out a bit later on to say - that we will start issuing temporary licences in those situations where drivers have applied at least three months in advance of their licence expiry. If they have not received the DBS by that time, it effectively means they will be well beyond the service level standards for DBS responses, and so it is entirely appropriate that we should look to consider short-term temporary licences to enable them to keep working. That is something that is new and we will announce it formally later today.

Slide 11 just summarises where we are on all of the commitments that we have made to you and has an update on the *Future Proof* actions. Of the 19 recommendations you made, eight are completed, six more are in progress and five are actually incorporated into the Regulations Review that we are about to discuss.

Leon Daniels [Managing Director, Surface Transport, TfL], Isabel Dedring [Deputy Mayor for Transport] and I made a number of commitments to you on 8 July when we last met and they are listed below. The strategy document I have just talked about. We are introducing a formal complaints process for people to be able to

complain about private hire services. It will be up by the end of the year both in an online format and ultimately in a direct phone contact format.

Congestion analysis in central London you asked us to do some work on and you will be aware that we did publish some information relating to numbers of vehicles on the congestion charging database. We would like to do more work on that and look at more robust analysis and so that analysis is still ongoing, but clearly the information that we put out indicates that there is definitely something to investigate in terms of rising volumes of vehicles.

Fleet insurance you asked us about specifically and that is one of the questions in the Regulations Review. I can confirm that the audit of taxi licensing and private hire licensing services has started. You have received, I hope, the correspondence that you asked for in relation to Uber. I can confirm that we are now collating all contacts with licensees on the TOLA database, which is, again, something we discussed and you requested.

With that, I am just going to hand over to Peter [Blake], who is going to outline more specifically the introduction to the regulations.

**Valerie Shawcross CBE AM (Chair):** Thank you very much, Garrett. Can I just react to that initially? I will just say we have not discussed this in the Committee but my feeling is that you have gone from a position of, we felt, being somewhat behind the pace to really getting up to speed. The fact that you have produced a strategy document is extremely welcome because it does lay out, as you have said, your fundamental thinking about how the industry should be functioning. We very much welcome the fact that you have tried to respond very specifically to the concerns of this Committee and it is appreciated. I am sure that you will find some of it, like the audit, actually very helpful for the future. It is not intended to be punitive; it will be very, very helpful.

I have a quick question on the strategy document. Is there any sense in which that is a consultation document or is it simply you laying out what you believe to be TfL's broad positions?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** We are certainly open to taking views on it. It is not a formal consultation in that sense; neither is it a final document because, obviously, it will be informed by the Regulations Review. Therefore, yes, in that sense, we are very much open to views and thoughts and we have looked to improve it in the light of comments.

**Valerie Shawcross CBE AM (Chair):** Yes, thank you. Personally, can I say thank you for addressing the issue of temporary licences? I have had a lot of casework from people in really dire situations. Anybody who commits an offence when they are a driver is statutorily reported anyway. If there was somebody who should not be relicensed for an obvious reason, it would have been picked up. It is very helpful that you have done that because more than half of drivers, I am told, were not getting their reviews done within two months and it was a growing and serious problem. It does not sort the MPS out, but at least it keeps decent people in their livelihoods for a bit longer.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Absolutely.

**Valerie Shawcross CBE AM (Chair):** That was very helpful until the review comes through.

One of the purposes of this meeting is that the Committee after the meeting can come together and can decide if and how we respond to the Private Hire Review Regulations. That is the main thrust of the meeting for us. We will not make those decisions here, but we want to question the proposals. It might be the case, Garrett, that the Committee might want to come back on one or two strategy items and we will have that discussion offline, if we may.

Are there any questions that people want to put at the moment to what Garrett has actually said? No? OK.

Shall we move on, then, to look at the specific proposals for the Private Hire Regulations Review? Peter, you are going to talk us through this, are you?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** I have a couple of slides, Chair, just to set the context of it. The first slide is about the Regulations Review and what the primary drivers are, in a sense. We are looking to promote passenger safety; you would clearly expect that. We are looking to update the current regulations to reflect recent changes and developments in the industry and we want to introduce some key policy objectives particularly around English language.

This is the second phase of the consultation. The first phase was undertaken earlier in the year with very much an open consultation. We very much wanted to hear views. We had almost 4,000 responses, primarily from the taxi and private hire trades in terms of their views on the issues and what the proposals and issues should be going forward.

This is the second phase of consultation. We have really focused it around 25 proposals that we believe are deliverable and we want to have a conversation with not just the taxi and private hire trades but customers and the wider London public to see which of these 25 they think we should take forward.

We are particularly anxious to involve customers in this process and so there is a series of initiatives around using the Talk London website and questionnaires to garnish views from that. We have a series of focus groups with private hire users of different ages and different geographies to get a sense of what their particular issues are. We are also looking at one-to-one interviews, particularly with people who have mobility problems and so, for example, rely on private hire services to get to school or to day centres, to really understand what sort of issues come from them.

**Valerie Shawcross CBE AM (Chair):** Very good.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Very quickly, on the next couple of slides, there is actually an awful lot of support for a lot of these proposals: things like English language, providing book confirmation with driver identification (ID) and vehicle details where possible, carrying a displaying insurance and providing regular updates to TfL of drivers and vehicles working for particular operators. There appears to be quite a lot of support for that, but we will reflect on that when we get the final scores on the doors from the consultation.

Clearly, some of the others have been far more controversial. There has been an awful lot of media discussion around things like a five-minute wait period before the journey commences and drivers working for one operator. Fleet insurance has been a talking point, as well as the visible availability of vehicles, particularly on an app.

My final one is just to reflect that the consultation runs until 23 November and we would welcome all comments we receive.

**Valerie Shawcross CBE AM (Chair):** Great. Thank you very much for that. Mostly, Peter, as you say, there is a division between. Some of the proposals seem to have been warmly received but there are a few that are controversial. The Committee is probably going to be asking you a bit more about the rationale for the more controversial proposals and what critiquing you have had on it.

Obviously, as Chair, they have given me the hottest one, which is the five-minute rule. Do you want to just talk us through the rationale behind the proposed mandatory five-minute wait rule?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Sorry, we are going to share these between us.

**Valerie Shawcross CBE AM (Chair):** You are, yes.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** I think I am equally landed with the most controversial one. As with many of the proposals in the consultation, it stemmed out of the first consultation around the suggestion that we should have some sort of time requirement. It goes back to the core difference between the taxi service and the private hire service being a pre-booked service. What constitutes pre-booking and so on? Obviously, the things that stem from that are the driver requirements, the difference between The Knowledge and the extensive skill needed to complete that and the much simpler - although shortly to be improved - topographical test for private hire vehicle drivers, which was originally geared around the driver having suitable time to plan a journey and so on before picking up a passenger. It is also around the risk of passengers getting into the wrong car and so in that sense it works in conjunction with the improved information to passengers; and around the risk around picking customers up in an unsafe location. For taxi drivers, one of the things that they particularly have knowledge in and experience of through the development of The Knowledge is where it is safe to pick a passenger up and where it is not and so on. It is around more certainty that passengers are getting into the right vehicle with the right driver and therefore is safely insured and all the rest of it.

We have to balance that against arguments to the contrary, which say that we are potentially going to insert an artificial amount of time into that journey. In certain circumstances, late at night, for instance, could lone customers be put at risk by having to wait for a vehicle that could otherwise turn up straightaway?

We have been very clear in the consultation document and the wording that we see both sides of that argument. As Peter [Blake] said a couple of minutes ago, this is one of many of the regulations proposals where we are looking for a level of public debate to inform our opinion and our ultimate choice on what we should do because it runs to the heart of what we see the future of private hire and taxi vehicles being and what their purpose should be and so on. It is there as a proposal in the consultation but it is very much one on which we are looking to understand the views of the public, customers and wider stakeholders, as well as the views of the industry, with which we have already engaged quite significantly.

**Valerie Shawcross CBE AM (Chair):** One of the key rationales that you have given there - and it relates back to the strategy - is the maintenance of the two-tier industry with the pre-booking and the immediate hire. Do you not think that there are other proposals in the Private Hire Regulations Review that cover that ground? Are we in danger of coming up with a lot of solutions for the same problem?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** There are. A number of these proposals work together and we will come on to others that we will suggest work together with each other to provide a complete picture.

I suppose one of the things I can say is that we are not necessarily committed to implementing every single one of these regulations. What we sought to do was to put as many as possible into the consultation so that we could have as wide as possible public debate. Part of that debate is whether we need this one if we have that one and whether we need this one and so on and so forth. That is entirely reasonable. However, we thought it would be much better to have them all out there and discussed rather than to make some arbitrary decisions behind closed doors about which ones we thought were valuable.

**Valerie Shawcross CBE AM (Chair):** Yes. We are very happy to --

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Our view is that these are all capable of being implemented.

**Valerie Shawcross CBE AM (Chair):** Do you think the five-minute wait rule would have any impact on one of the issues that has been raised from residents: the fact that minicabs cluster around very popular venues, including the airport? Does it affect that in any way?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Our view on that is that you could speculate that it could do. It certainly was not the purpose of putting it in the document. However, clearly, by reducing the attractiveness, if you like, of clustering in a location, why wait and cluster somewhere very busy, awkward and inappropriate when you can be within a few minutes of picking up a potential passenger anyway? It could have a positive effect on that, but that is not the purpose behind including it in the review.

**Valerie Shawcross CBE AM (Chair):** It is not the purpose behind it. Do you think it is going to cause passengers inconvenience?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** That is the thing that we have to balance. Certainly some of the suggestions and proposals that were put to us by various elements across the industry were for much longer waiting periods. Indeed, we have seen longer waiting periods implemented or attempted to be implemented elsewhere in the world. Paris is looking at 15 minutes; New York was looking at a similar approach.

Therefore, there is an open question. There are almost two questions. Is a time period appropriate? If so, what is that appropriate time period? It is very difficult to be precise on that. However, at the other extreme, the percentage or fraction of a second that is now possible with technology is clearly not pre-booking but is legal within the framework of the current regulations because, of course, they were written at a time when nobody envisaged that it would be possible to effect a booking so quickly. In fact, it is hard to remember that it was only a few years when probably 99% of the time you would be very pleased if your private hire vehicle turned up within five minutes of you booking it. It is a difficult question to get right.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Just to add, if I may, that is why we are at pains to involve customers in the process. We are sitting down with the focus groups and asking them that question particularly in terms of drawing out on the London Live questionnaire and making sure people understand and that we get a view from them.

**Valerie Shawcross CBE AM (Chair):** Yes. Are there any other jurisdictions, Garrett, that are operating a mandatory delay now? They are talking about it in New York.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Paris is. It has been through the courts and it has been rescinded at times, but it currently is.

**Valerie Shawcross CBE AM (Chair):** It currently is. Any feedback from that?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** The feedback from everywhere is that it is not something that is easy to implement and it is not something that is easy to enforce. That is certainly one of the questions we also have to look at.

**Valerie Shawcross CBE AM (Chair):** Yes, that is another issue. Is it a 15-minute delay in Paris?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes. Our view on enforcement is that the only practical way you could enforce something like this would be through effectively mystery shopping and you would have to do that repeatedly on a basis. If you have one operator who picks somebody up in 4 minutes and 50 seconds or something like that, you are not going to take punitive action.

**Valerie Shawcross CBE AM (Chair):** You would have concerns about the enforceability?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes. You would be looking for repeated breaches of a regulation like that.

**Valerie Shawcross CBE AM (Chair):** How would you respond to the criticism we have heard levied that it is a proposal that is targeted at one specific operator?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** I would say that that is not right. It is targeted at the change that has been brought on the industry by technology. That technology is in use by many operators and is likely in the future, I would suggest, to be used by many more.

Also, there is an element of this that is forward-looking. Were you to get into a situation where you could only get a private hire vehicle on demand instantaneously, would it be good for the customer? There are plenty of situations where customers want the ability to be able to book in advance; going out to dinner tomorrow night or whatever it might be. They want to know they have their cab booked. They do not want to have to wait until five minutes before the restaurant reservation and hope that they can get one.

**Valerie Shawcross CBE AM (Chair):** That is going on to a further one, is it not?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes.

**Valerie Shawcross CBE AM (Chair):** Do you have any information or estimates of what the economic cost is to add five minutes to every minicab journey?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** We do not have any specific work on that. I am aware that there are various things being floated around in the media about it, but that would depend on how you calculated the value of time and so on. It is something we could look into but something that we would perhaps want to do when we have a firmer proposition.

**Valerie Shawcross CBE AM (Chair):** Yes. Peter, you mentioned you have had a focus group on this one.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** We have had a couple of focus groups to date, yes.

**Valerie Shawcross CBE AM (Chair):** Is there any feedback you want to give us from the focus groups you have been running on this?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Funnily enough, they had quite different views given the age profile. We had a group that was - should I say - slightly older. They very much liked the idea of the ability to book in advance and five minutes was not a concern. The younger age group maybe had different social patterns and they raised it as something that might be an issue but they felt they



did not want their journey home stymied in any way. Really, it just reflected the balance that we have to draw on this sort of issue.

**Valerie Shawcross CBE AM (Chair):** You had both back.

**Tom Copley AM:** I completely understand why this does in many ways make sense, but it is about how you sell that to customers. I am not surprised when you say that younger people in particular would probably find this a complete anathema. "Why on earth are you making me wait five minutes when everything else is possible to get at the touch of a button?" There is lots in this that I completely agree with, but it is just that question then. How do you sell something like that to the public?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Actually, that absolutely would be the challenge if we went down this line because different segments of the private hire market will have very different views on it. That is why we have been at pains to involve them in that process: so that we can synthesise that going forward.

**Darren Johnson AM:** I have had representations on this. It is probably the most controversial of the proposals.

**Valerie Shawcross CBE AM (Chair):** It is.

**Darren Johnson AM:** I have had people write to me saying that one of the reasons why they often want to get a cab is because they feel unsafe where they are. Making them wait around an extra five minutes seems absolutely counterintuitive and to go against that.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Yes. We tried to reflect that in the consultation document to say that there may be some benefits in that the journey is no longer a headlong rush, which might link to it having an impact in terms of clustering because that immediacy is not required, but clearly on the other side there will be passengers that we can all speculate on - lone passengers on an evening maybe out for a drink or two - where that safety issue would be a key consideration.

**Caroline Pidgeon MBE AM (Deputy Chair):** It is not just about apps with this five-minute rule. If you go into your minicab office and you go through all the proper process, you have a quote and the cab and driver are outside, the idea that you have to then stand for five minutes does not make sense in that situation with a more traditional way of booking a minicab.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** As a customer - I am speculating - that would feel the most perverse situation, would it not, when they have physically walked into the office and the driver is there ready to go and the vehicle is outside and we are saying five minutes? You have hit on a particular challenge in this.

**Valerie Shawcross CBE AM (Chair):** OK. That was quite helpful. Let us move on, then, if there are no further questions on that section.

**Richard Tracey AM:** I wanted to move on to the specifics of booking journeys and what you are suggesting in the consultation. There has certainly been quite a bit of controversy already expressed by the public and others about these suggestions for bookings.

First of all, the first question. As a large number of the operators already offer advance bookings, why do you need to insist that all operators must do so? Can you give us the rationale for that, one or the other of you?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Sorry, we were working out the scripting. The rationale of that is: is it a customer requirement, do the customers want that and, if the rise of the business model is that they want instantaneous bookings, what is the likely future of pre-bookings? It is drawing that balance and saying, if the business model that has developed over the last couple of years continues, could we ever get to a point where there would be no or limited pre-booking availability? Is that a risk in terms of the customer offer that is out there? Therefore, is that something - it is questions throughout - that a responsible regulator should consider as we go forward?

Clearly, you may take a view to say that there is a marketplace out there at the moment, albeit changing and certainly in flux, that currently caters for pre-bookings and the more app-based instant bookings and that appears to work. However - and bear in mind that we do not do a regulations review every year or so - if we look forward three years, five years or seven years, what sorts of issues around pre-booking would be apparent then and is it something we need to safeguard now to ensure that future travellers have this option?

**Richard Tracey AM:** You really want one size, do you, something that fits everybody? You really want to enforce a system where all of them should have advanced booking or not? Let us be clear.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** What we are interested in is the customer offer. As we discussed on the five-minute wait, actually, customers want very different things.

**Richard Tracey AM:** Yes, they clearly do.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Going back to the focus groups, if I may, the older focus groups were very keen on this ability to pre-book and they were very interested in the confidence that the driver and vehicle was going to turn up, they could get to their appointment and, particularly, they could then get home from that. The question that we are asking is whether we need to regulate to that effect because the changes in the marketplace at the moment are such that possibly, a few years down the line, pre-booking will not become the norm and yet customers might still want to do it. It is trying to get that balance.

**Richard Tracey AM:** What will be the impact on the operators that do not already offer advance bookings? What do you believe and what have you heard from them?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** We have not heard from them yet. That is the nature of the consultation. If you would like me to speculate --

**Richard Tracey AM:** Yes, please do.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** -- clearly, customers use particular operators for different reasons and they have different rationales. If I walk out with my smartphone and press onto a particular app to get a driver or a vehicle at that time, pre-booking might not be highest in my thought process. Therefore, you might speculate that it would only ever be a small part of their business because the vast majority of people who use maybe an app-based provider are more interested in wanting to go as soon as they can get a car to them rather than another. If you look at maybe the more traditional model, certainly based in the suburbs, actually this pre-booking arrangement - going to Tesco every week at a certain time or going to church on a Sunday or whatever else - becomes quite important to people.

What we are doing as part of the process is undertaking an assessment of what the regulatory impacts are. That is why we are very much encouraging all operators and customers to feed back and say. If you note, the

questions are, “Do not just say ‘yes’ or ‘no’. Please explain why”, and, if an operator has a concern with this, “Please explain what you think the implication is going to be”.

**Richard Tracey AM:** Yes, they do have the opportunity on your consultation document, do they not? I have been through it and there are boxes where they can write a whole lot more than simply saying yes or no.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** We have done that specifically and we would encourage everybody to do that because, really, it brings the flavour to, “I support this”, or, “I do not support that”, with what the rationale behind that is.

**Richard Tracey AM:** Where there are particular firms with advance booking facilities, will you be requiring them to have a certain specific commensurate number of call handlers to handle telephone bookings and online bookings? Will you specify that or not?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** I think we are talking about the contact via landline?

**Richard Tracey AM:** Yes.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** In terms of the landline proposals, we are saying, “Question: is this something that customers would like, the ability to contact a human being?” Say there was an emergency or a problem *en route* or whatever else. If that is the case, then it cannot just be almost a sop to say, “We have a landline”, but nobody answers it.

It would feel over-regulatory to say, “We must regulate a ratio or a number of people”, or whatever else. However, clearly, if we are specifying a landline and people must have the ability to get through, then it has to be commensurate with the size of operation and the requirement of their customers to make contact with them. As we have suggested earlier on in terms of enforcement, it might be a mystery shopper or working with the industry to get this right rather than saying, “Operator X, you do X number of journeys a year and therefore you must have a dozen staff doing this”, or, “You must have five staff doing this”. That feels very much like overstepping the mark.

**Richard Tracey AM:** I suspect you are going to have an army of mystery shoppers, by the sound of it.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Also, once we have a fully-fledged customer complaints system up and running into TfL and we can monitor complaints that operators receive as well, then obviously that will provide you with evidence as to the adequacy or otherwise of the service that is being provided.

**Richard Tracey AM:** Can we move on to the matter of setting fares in advance of a journey? How will passengers benefit from this proposal to require operators to specify a fare in advance of the journey commencing?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** The current position is that, if requested, the operator gives an estimated fare. Our standard advice would always be to ask for an estimated fare and, frankly, the common-sense approach would be to do that.

The proposal is suggesting, actually, whether that just removes that layer of concern whereby when you make a booking a fare is given so that you understand going in, as long as your journey is as you have told the operator and you are going from A to B as you have described, it is the fare that you can expect to receive.

Apologies if just jump back to these focus groups again. Both groups of different ages very much supported the proposal. The older group liked the confidence. The younger group, maybe if they come out of a nightclub, they wanted that clarity and so it just removed all levels of doubt. The suggestion is that there may well be quite a customer benefit in doing this, but we want to hear from the industry. Is there a practical issue with delivering it or are there other concerns with that?

**Richard Tracey AM:** I was going to ask you what the economic costs of the operators having to do that would be. They are going to have to have some machinery to predict and to measure the potential journeys. What are going to be the economic costs?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** If you imagine that the vast majority of operators now have a global positioning system (GPS) in terms of their route-mapping and route-planning and so an awful lot of them have this capability already of doing it, particularly because they are required if requested to give an estimate. Therefore, what we want to do is to firm that up.

We do recognise that for some of these there may well be a technical requirement or something they need to do. We need to understand broadly what the implication is for them and then say what a reasonable timeframe is around implementation. It might be that for some of these we say that we need to give a little bit longer lead-in time to implement because there may be some tweaks to their current operation.

**Richard Tracey AM:** One of the things that we have heard a lot about during the course of our previous sessions – and one hears it constantly now discussed on the radio and in the press – is this thing of ‘surge pricing’. What is TfL’s attitude towards the model of surge pricing?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** That is a business model employed by one of the operators in the private hire industry. As you know, we do not regulate fares in the private hire industry.

What we would want from a customer perspective is for the customer to understand the implication, on any journey, of what he or she is signing up to. What we are saying here in terms of this proposal is that the customer gets clarity before he or she gets in the back of the vehicle so that they know broadly what the charge is. It does not change; it does not surge or anything otherwise. Therefore, you immediately have conflict or a concern that you are putting a customer in a difficult situation. What we are saying from a customer perspective here is that it is that clarity prior to the journey commencing. If the customer decides he or she wants to get home at that time and that price, then it is difficult for a regulator to say that we want to involve ourselves in that dynamic. What we want is the clarity that the customer understands and agrees to prior to engaging with that journey and that operator.

**Valerie Shawcross CBE AM (Chair):** Can I just come back on that one? This is a really interesting question because, when we had an informal session with one of the operators, the one that operates this, Uber, it said that in terms of its business model the impact was that it meant there was therefore an incentive for there to be more drivers on the road during the busy time periods.

I completely accept that from a customer’s point of view it is fantastic to know with confidence what you are going to pay but, in terms of making sure that there are enough cars available to meet the demand at busy times, is there another mechanism that helps provide that encouragement to drivers to be out there? It is perfectly possible for a minicab company to operate a peak fare rate and charge higher fares for Saturday nights, for example.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** That is absolutely right. The thrust behind the proposal is that customers know what they are signing up to before they get there.

**Valerie Shawcross CBE AM (Chair):** It is not that you cannot have a higher fare during a busy, high-demand period?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** No. That is the business model that has been adopted and it is perfectly acceptable under the private hire regulations. What we are interested in is that the customer clearly understands that so that they do not find out halfway through their journey with all the particular anxiety that is likely to be caused from that.

**Valerie Shawcross CBE AM (Chair):** Yes. That was very helpful.

**Dr Onkar Sahota AM:** One of the proposals, proposal 15, is to restrict these drivers to being only able to operate with a single operator. What is the rationale behind making it a requirement that they can only operate through a single operator?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** This proposal came from the private hire trade in terms of the idea. The concerns, effectively, were twofold, as articulated to us. One was drivers working for multiple operators may work for great lengths of time and have a potential public safety issue in terms of the time they are driving on the road. The second was the ability of the operator to work with and develop drivers, to make sure that there are appropriate standards of behaviour and to really deal with the market model as it exists. Therefore, the thrust behind it is twofold.

Quite like some of the others, there are clearly very different opinions on this. Maybe from a driver's perspective, they are saying, "Hang on a minute. I have a routine where I work with a number of operators. I might do a school run in the morning and the afternoon and work with a different operator in the evening". When exploring this, we are very much interested in what the different views are and how that might effectively be managed.

**Dr Onkar Sahota AM:** Is there any evidence to suggest that this has been a problem in London?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** To date, the evidence has been anecdotal. Do you link working for different operators and people driving more or do people just drive more because they are trying to ensure that they make the living they have set out to make? Linking it to working for different operators, it would be quite difficult to go down that line. Nevertheless, the trade has come to us and said that this is a particular area of concern that it has and it would help us to explore that in our consultation.

**Dr Onkar Sahota AM:** I can understand that the trade would be concerned about it, but also on the other hand there are the drivers who will lose the opportunity of working with the most effective trading and we would be concerned about that. If you start limiting the drivers' opportunity to work in the most cost-effective way for themselves, it would be restrictive.

However, having said that, do you think that what you propose will attack the problem you are trying to resolve? Will the requirement you are placing be effective to resolve the problem you are having and how will you be monitoring your effectiveness?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** This is one that is out there for discussion. If the operators are saying that this is resolving this particular problem, we, like you, would be

saying, "Let us understand what the impact is going to be and how that will really deal with issues with the length of time people are driving". Equally, we know from the drivers' unions and drivers' perspectives that they have understandable concerns with this and they have put forward a very clear counterview.

This is not something that you would not sleepwalk into. You would want to really understand that this is a proposal and we are solving the problem that was put to us, whether or not there is a different way of doing that.

**Garrett Emerson (Chief Operating Officer, Surface Transport, TfL):** There is also a future-proofing question to ask in relation to this. If you fast-forward to a world - if you believe it is going to happen - where most operators operate with mobile phone app technology, the question is whether you would be happy with a driver with five or ten mobile phones on the dashboard or the passenger seat and picking up calls. Is this something we want to take a look at now before it becomes an issue in the future, if indeed it is going to become an issue, and what are the consequences? Clearly, as Peter has said, from a driver's perspective, you might very much like to take jobs from multiple operators and work here, there and everywhere. There are a number of issues around it and it is opening up a wider question about where the technology is taking us and what kind of service we want in the future.

**Dr Onkar Sahota AM:** Certainly. One of the other concerns was that you wanted to make sure that the apps the operators had were used only by the operators licensed to use those apps. You wanted to go for retina and fingerprint scanning as ways of signing in. Is the technology available there and do you see any problems with that?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** The rationale is that with a traditional private hire company, largely with the driver and the operator connected via radio, you get a sense of who is driving the vehicle. If with the new business models it is done via a smartphone or an app, do we all have confidence that the driver is who we think the driver is? Are there available technologies out there to deal with that? We have asked just those sorts of questions.

From a public safety perspective - and this is where, in a sense, it links with some of the other proposals - if the idea is that the driver's details and the vehicle's details were given in advance, then the customer is able to check before they get in a vehicle and that, in a sense, is one check. Is technology available to say that only one person can access this phone? That technology is available. Whether it is available and could be deliverable in this context now we need to examine with the trade. I know that some members of the trade have some concerns with this but they accept the public safety argument around ensuring that the driver is who they say they are, not least because it is in the operator's interests that when they give that information out, absolutely, only drivers whom they know are driving for them.

Therefore, this is very much on public safety a broad consensus, but the deliverability we will need to work through if we went forward with this proposal in terms of timescales and that it could be applied across the board. That is the other side in terms of the enforcement aspect.

**Dr Onkar Sahota AM:** Have you had any response from the drivers on your suggestion that we need additional training to improve standards? Have you had any feedback from the drivers themselves on what they think about all of this and the additional requirement being imposed on them?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** In terms of the feedback I have had to date from the drivers, they are supportive of raising standards because they see it as a benefit to their industry. The more confidence you give the public, arguably, the more the public is going to use that service.

Clearly, they are saying, “How is this getting rolled out? Frankly, if you are going to take us all away for a seven-day course and we are not earning at that point, it is going to be a challenge”.

Therefore, in terms of the proposals that we have come forward with at the moment, let us build upon what we have already. Let us enhance the current topographical test. Let us make sure that private hire regulations and licensing regulations are part of that - do not park on a taxi rank; do not pick somebody up if it is not pre-booked - and making sure that that is absolutely in the testing cycle. Let us work with all the main groups around disability awareness training. It is getting that in, which certainly hitherto there has been a lot of support behind, and then asking how we then go from that position and build standards further because, actually, it is in everybody’s interests that we enhance standards across the industry.

**Dr Onkar Sahota AM:** Of course, it is obvious that the driver and the passenger should be able to communicate with each other, at least for the simple purpose of where you want to go to and how much the fare is. There is this new requirement to have an English standard test for the driver. What is the rationale behind it? There are other cities around the world that does not have it. For example, New York does not have a requirement for language. Why do you think this is a requirement and has there been a problem that you have picked up that the drivers in the capital are not able to deal with their passengers?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Apologies for the focus group reference; I am jolly glad I went to view it last week. That was raised by both groups in terms of their ability to converse with the driver.

**Dr Onkar Sahota AM:** No, I understand that the communication should be there. No one is arguing about that. Why was there a specific requirement for the English language?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** The driver and the passenger are in a confined space. If anything went wrong, if there was a problem with the journey or whatever, you would want the ability to converse and deal with that. An English language requirement is one method. You will know that the Government is producing proposals nationally to take that forward, which we will hope that we will very much link into rather than develop something entirely different.

What we want to deal with is a perception from some passengers that that inability to communicate is having an impact either directly on their journey or just on general confidence when getting in the back of a private hire vehicle. Trying to find a workable solution for that if this proposal goes forward is in the best interests of the industry generally and certainly passengers.

**Dr Onkar Sahota AM:** Let me put it another way. It has not been a requirement so far. Have you had a lot of complaints from passengers about the English requirement?

**Garrett Emerson (Chief Operating Officer, Surface Transport, TfL):** I was going to come in. Of course, you mentioned earlier about how these proposals often will work together. One of the things we do not have at the moment is a formal complaints system for private hire drivers, but there has certainly been increasing anecdotal evidence, discussion and stakeholder concern about those issues and the ability to communicate with drivers. I am certainly aware of some individual anecdotal cases but I would not particularly want to quote them here. Of course, this has led the Mayor, as you know, to make a very clear statement about wanting to see this introduced as well. There is a lot of concern out there that this is an increasing challenge.

Of course, this is not something that would be unique to London by any stretch of the imagination. It is something that is already in place in many cities in the UK as a formal regulatory requirement. Therefore, yes,

to some extent you could argue that, equally, we would be bringing ourselves into line with other private hire licensing authorities elsewhere in the UK.

**Dr Onkar Sahota AM:** Do you anticipate that introducing more stringent training and higher standards for drivers will slow the rate of growth of the private hire market?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** The reason for introducing it is one of passenger safety and customer benefit. That is the reason for doing it. You can speculate that if it is a little bit more difficult to get into the industry, the rate may well slow down, but that is speculation on my part rather than factual.

**Tom Copley AM:** Do you have any idea what the scale of this is in terms of the number of drivers that work for multiple operators, even whether it is a minority or a majority of them?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** We do not receive that information as a matter of course. That is one of the proposals that we do. Our sense of it from talking particularly with driver groups is that actually there are quite a lot of drivers who work for multiple operators.

If we were to take this forward, there are potentially some quite significant implications of doing this, which is why we really need to understand that before we would take it forward. Actually, there may well be a customer disbenefit, going back to the point around having that availability of drivers and vehicles. You might do this and the law of unintended consequences will mean that there is almost a shortage of drivers somewhere else because they can no longer work for multiple operators. We really need to understand that.

**Tom Copley AM:** Absolutely. Thank you.

**Valerie Shawcross CBE AM (Chair):** I had a similar question about that one because there is an issue about how that would work in practice. It is not that uncommon, I understand, for existing, more traditional minicab companies, if they are going to serve an event like the races or some sort of sporting event, to actually encourage in drivers who normally work for other operators further away to come in and work there. It is not uncommon for there to be some movement around of drivers between operators.

Is there a way of making sure that there is still some degree of flexibilities so that drivers could log in and log out?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** You are absolutely right about operators working together and an awful lot of them still do in terms of meeting peak demand. One-driver-one-operator works in other parts of the country. Leeds is an example where this has been in place for some time.

The issue is particularly around actually allowing drivers to move and what sort of flexibility there is to manage that. If you do not, then you are in a scenario where you have an impact on the marketplace. Again, even if the consultation broadly supported taking this forward --

**Valerie Shawcross CBE AM (Chair):** How do they deal with it in Leeds, then?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** There is a process. They have to go through moving from one operator to another with a process but that is dealt with, as we understand it, as quickly as possible. That might be appropriate for Leeds's circumstance but, in terms of the numbers that we



are looking at in London, we would need to understand whether any formal process of movement would be deliverable or not, quite frankly.

**Caroline Pidgeon MBE AM (Deputy Chair):** One of the issues, clearly, is that drivers could have several apps and things on the go and that is a difficulty for an operator. If you think you have Driver Garrett out there doing this batch and suddenly Garrett is off with a different company doing a completely different job, then you have lost that driver and it is very difficult for you to meet your demand. I understand that.

However, for some drivers, it might be - I do not know - that three days a week they want to work for one company and on a couple of other evenings they want to work for a different one because they know on certain nights they would get more money. That is surely quite a reasonable thing for a driver to want to do. It is like having two or three part-time jobs, which many Londoners have.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** That is absolutely what the driving groups have said to us. It is traditionally the Monday-to-Friday and then the weekend thing, and particularly around having a contract to a school worked via one operator and then of an evening maybe serving the West End or some local social environment and working for another operator. You are quite right and that is something we need to understand.

**Caroline Pidgeon MBE AM (Deputy Chair):** The issue is, clearly, about making sure they are all paying tax properly, which is one of the issues we have had raised where the drivers, if they are working for several operators, are properly paying tax. Also, it is about how you manage the hours those drivers are operating. I do not know. For black-taxi drivers, you do not have any limit as such on them, do you? You cannot enforce them. Drivers do themselves. People working as minicab drivers are making ends meet and working extra hours, evenings late and so on because they are trying to, as I say --

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** That goes back to the point around being clear what the problem is and how this proposal would respond to that particular problem. Taxi drivers and private hire drivers are not governed by the European Union (EU) legislation on driving hours. Let us be clear that we think this is an issue and then let us understand that any regulatory change will have an impact on quite a well-established marketplace where, seemingly, an awful lot of drivers are working from Monday to Friday for Operator A and at the weekend for Operator B or evenings and daytimes. We would need to get down and understand that further before we went down this line.

**Kemi Badenoch AM:** Caroline's point touches on the point you made earlier about the potential future loss of pre-booking services as people get more and more used to using apps. Does the ability for drivers to work for multiple operators mean that that will be less likely? Is the issue, rather, one of perhaps drivers spending too much time on the roads and being overworked? I see, even now, tired drivers when I get a taxi at midnight or 1.00am and I can actually see them looking visibly tired. I have not seen anything within the consultations that is looking more at welfare and so on as the business models are changing.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** In respect of this proposal, this was part of the Licensed Private Hire Car Association's argument to us. A responsible operator, historically, would be looking at the welfare of its drivers and looking, within the constraints of the business and legislation and so on, to make sure that they were not overworked, suffering sleep deprivation and so on. Historically, it had been relatively easy to do because, whether you were working for one operator or maybe two or three or whatever, you were working particular hours. You were signing on to work a shift and the operator had visibility of the hours you were working and the hours you were driving.

I suppose what they are saying to us and what we are reflecting in this proposal is that as the industry changes and moves much more towards an app-based operation, if you have multiple apps and so on, you as a single operator would lose visibility of that. It is taking away that element of welfare and responsibility that has historically been there.

**Valerie Shawcross CBE AM (Chair):** Yes. I have a slight confusion about the meaning of working for one operator at a time and whether we are talking about banning simultaneous working – as you say, working for three or four and picking up the work as you can – or whether it means you are still able to work sequentially by registering that you are doing Monday to Friday with them and Saturday and Sunday with this other one.

Is the proposal that it is about simultaneous working or that over the period of a week, for example, you might work for a different operator?

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** I do not think we have taken a view. We have had an issue that has been raised as a concern. We see some merit in the potential solution here. There have been examples used from other parts of the country where there is a formal movement from one driver to another. Again, I am speculating. It would be difficult to see how that would work in a London context.

Of both the scenarios you have described, actually, one of them might be an appropriate way of taking this forward but we need to sit down and get more evidence, particularly from the drivers' perspective, in terms of what the likely impact is and what that could look like. If an awful lot of drivers do pretty much the same thing week in and week out, we could see how we might get to an arrangement where that can be managed and where we have a sense of who that driver is linked to and working with at different times of the day or week, rather than there being a formal and very prescriptive one operator at one time. That just seems to be quite a challenge but, again, we need to understand what the views are of the consultation.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** This is also something where, potentially, technology can help us in the future. As I said earlier, we have launched our online renewals process. Looking forward, you might speculate that you could make this process a lot easier by enabling drivers to do this online.

**Valerie Shawcross CBE AM (Chair):** That was quite helpful.

**Darren Johnson AM:** This is now looking at restricting the visibility of vehicles, which is another one of the proposals. What is the problem that you are trying to solve through this by restricting the visibility of vehicles available for immediate hire either on the road or through an app?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** The basic issue here is that there is a concern that the visibility of specific vehicles in specific locations could, at minimum, lead to encouraging touting and unauthorised use of vehicles and could arguably – and it has been argued by some – be in contravention of existing touting regulations. We have taken the view to date that we do not necessarily think that is the case but, like with the taximeter view, we acknowledge the alternative view.

If such a regulation were to come in, it would clearly resolve that problem because you would not be able to see the vehicle before you booked it. Once you booked it, there would be no problem with you seeing your individual vehicle coming towards you, knowing how far away it is and so on; nor would there be any problem before you booked a trip with being able to see information saying how far away vehicles are, “The vehicle is two minutes away from you”, sort of thing. It is the physical location of them that could be construed as potentially contributing to touting. That is the issue we are trying to address.

**Darren Johnson AM:** This Committee has been very clear that we want you to get very tough on illegal touting and enforcement. However, there does seem to be a line between what is actually touting and what is merely providing customer information. I would just like to know a bit more about what evidence you have used to ensure there is a clear link to the former and that it is not just --

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** The issue is that there is not a clear line and this regulation is one way of clarifying it. I suspect, though, that another way of clarifying it may well end up being through the courts in the form of a test case and so on. I suspect that we might arrive at that route to actually decide what the law says at the moment and then we would make a regulation that could reflect that. The basic issue is what constitutes touting. Does this contribute to it? Does this just encourage drivers, as you say, to tout?

**Darren Johnson AM:** Have you considered other possible solutions to this as part of the review?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Of course, it does not replace anything we are doing in terms of enforcement. We should be very clear on that. We have taken a number of steps to increase the resources we have, targeting key locations outside nightclubs, airports and so on where we have seen an increased agglomeration of vehicles and so on. I do not think that that would take away from that, but this would clarify what is quite a grey area around what constitutes legality within the existing law or not.

**Darren Johnson AM:** Then, moving on to in-venue operators, again, this Committee has been very clear that we want to see the regulatory regime improved and clarified, but we also want to ensure that new regulations do not create a new set of problems. That is the angle that we are coming from on some of this.

If TfL were no longer granting in-venue operator licences, to what extent can you ensure safe transport alternatives for people leaving venues at night?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** This is one of those areas where there are mixed views in the industry, but we think that on balance there are views that suggest this is something that does not work particularly well and the easiest thing to do is to stop licensing in-venue operators now.

Again, in relation to the advent of technology, of course, it has now become much easier to book a vehicle through an app or whatever than it was when this was conceived as a solution to effectively ensuring that --

**Darren Johnson AM:** Do you think in-venue operators may be dying out and replaced by technology anyway?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** There were significant issues around the management and the enforcement of them.

**Darren Johnson AM:** As we heard during the investigation, certainly, yes.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes. It seems to us that this is an idea that did not work wonderfully but has probably had its time anyway and now we should look to the market and the technology to step in to fill that problem, which was making sure that people can get home safely.

**Darren Johnson AM:** Then the final area I wanted to cover was on ridesharing. From a safety perspective, obviously, I want to see clear controls on that. However, from a green perspective, reducing vehicle use with ridesharing is something I am very keen on. I would just like to know what your thinking is in terms of controls and regulations around that.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** I suppose it is about what issues ridesharing throws up and then what the regulatory response should be to that. As you have suggested, one vehicle carrying two people rather than one person has inherent benefits to the environment.

**Darren Johnson AM:** I have done it in other parts of the country outside of London and my experience was positive.

**Peter Blake (Director of Service Operations, Surface Transport, TfL):** Yes. However, from a customer perspective, what are we suggesting? We are suggesting licensed private hire vehicles, licensed private hire drivers and two strangers in the back.

From a regulator's perspective, what might be our concerns around that? You may think that there is probably an issue in terms of data management. If the vast majority of this is likely to take place via an app or smartphone-based company, what will I know about the individual who is going to get that into the vehicle with me, what should I know and how does that comply with data management laws? There are probably a few issues there.

There may well be issues around the standards of behaviour and what the role of the driver is. When it works well, you can envisage that everybody sits in the back, plays nicely and gets to their various destinations. However, if it does not go so well, what are the checks and balances that are in place to deal with that? What are the standards of behaviour? Does the driver need training to try to deal with that? Are there any vehicle or insurance issues that we might speculate upon?

Therefore, whilst on principle you might say that we see the environmental benefits, from a customer perspective, what might it throw up and what might a responsible regulator want to try to put in place to ensure that things are dealt with?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** This is certainly a very current issue. There is nothing to stop ridesharing taking place in licensed private hire vehicles or, indeed, taxis today and we have a particular app operator out there, Maxi, that is operating today in that. The only additional legislative requirement is that passengers must consent to sharing the trip and so on.

It is certainly true that technology is making this much easier to organise on a commercial scale than perhaps has hitherto been possible. It is very much the case that this is likely to come. Are there further questions that we need to ask around the information that we should require to satisfy questions about customer privacy, customer security, customer safety and so on? It is a very live issue. However, at the moment, certainly with licensed private hire drivers, licensed private hire vehicles and licensed operators, there is nothing to stop it taking place on the streets today.

There is a separate question when people talk about ridesharing that I would like to get out there because sometimes it gets confused. It is, of course, private car-sharing and the development of that. That is totally outside the legislative framework that we have at the moment and, indeed, is more controlled, if you like, by the tax regime in terms of people not being able to make money out of private car-sharing and so on. Often there is a lot of confusion between the two and we are concerned very much to look at what more we might need to do in terms of licensing.

**Darren Johnson AM:** This is about looking at safeguards rather than regulating it out of existence?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes. Again, it is trying to look forward to see that this is clearly something that is developing and is becoming easier to do. We are seeing it take place in other parts of the world. We should be ready as a regulator and understand what our requirements need to be.

**Darren Johnson AM:** That was helpful. Thank you, Chair.

**Valerie Shawcross CBE AM (Chair):** Consent seems to be the really crucial thing there.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes.

**Caroline Pidgeon MBE AM (Deputy Chair):** I was just going to pick up a couple of things from Darren's section. You were talking about the in-venue operators and not licensing them anymore and so on, which is good. One option also to help with that is to have more taxi ranks outside some of these venues because that will really help passengers when perhaps their mobile battery has gone dead and they want to go out and get a licensed vehicle home. That is something you need to look at alongside this.

You talked about this issue of the visibility of vehicles being about touting. Can you just confirm that in your presentation at the beginning you said that you were going to double TfL compliance officers from 41 to 82?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes.

**Caroline Pidgeon MBE AM (Deputy Chair):** That is your team dealing with touting?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes, that is the TfL compliance team, the fulltime resource.

**Caroline Pidgeon MBE AM (Deputy Chair):** The TfL compliance team, OK. In the past, you have given a figure of around 400. Particularly, I recall, when we published *Future Proof*, you were talking about over 400 officers at TfL able to tackle touting, which seems rather different to your 41 to 82.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes, that is right as well because the 41 to 82 are the fulltime professional compliance team that are supplemented by Police Community Support Officers (PCSOs), roads and traffic enforcement officers and parking enforcers. Operation Neon, for instance - which goes out regularly with 40 to 50 people involved - would only involve a small number of the compliance officers and a much larger number of other officers, including PCSOs and police officers.

**Caroline Pidgeon MBE AM (Deputy Chair):** To supplement the team?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** That is the number I was referring to.

**Caroline Pidgeon MBE AM (Deputy Chair):** It is 41 to 82 dedicated officers. That is helpful.

Actually, I have one more thing on the visibility of vehicles. I recall we have had evidence that one of the issues was some of these apps are showing vehicles when they do not actually exist. It is just like a made-up

diagram to make it look like they have lots of vehicles in the area. Is also one of the issues you are trying to deal with here misrepresenting what vehicle availability you really have?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** This is one of the interesting things that has come out of the consultation, really. Now there is some suggestion that these apps are not showing accurately the location of every vehicle and so on, whereas before we might have been led to believe that absolutely all of these vehicles are there in the locations and so on. Of course, the argument now is that it is not accurate. They are not showing the exact locations of vehicles and it is only illustrative. Either way, having clear regulation would get you to a clear point and remove that very grey line as to what is and is not touting.

**Caroline Pidgeon MBE AM (Deputy Chair):** Thank you. That is helpful. I want to pick up the issue of insurance. Obviously, it would be helpful if you could put on record what your rationale is for requiring operators to obtain fleet insurance.

**Peter Blake (Director of Service Operations, Transport for London):** There is a series of proposals around insurance, primarily designed around tightening up the insurance that exists at the moment. The insurance responsibility resides with the vehicle owner. The vehicle must be appropriately insured for private hire insurance when it is being used as a private hire vehicle. One of the suggestions is whether we could clarify that point and that it be insured for private hire and reward throughout the period of its licence. Certainly we had an awful lot of comments in the first consultation supporting that as a principle.

In terms of fleet insurance, it was a suggestion that came from you. In a sense, it is the cleanest way of this happening. The relationship with the customer is with the operator. The operator can absolutely assure itself that that insurance is in place because it has done it. Looking at it, it is immediately attractive.

Some of the concerns around that are principally around the cost it might generate in the industry because it changes the nature of the relationship between the vehicle owner and the operator. Some operators currently provide fleet insurance. This is, again, speculation but when they respond they might say, "This is perfectly doable but please regulate it". This is very much about a proposal for fleet insurance. There appears to be an obvious benefit for doing it but we want to understand what the impacts would be, financial or otherwise, of going down this line.

**Caroline Pidgeon MBE AM (Deputy Chair):** You do think it is absolutely doable and you could introduce this?

**Peter Blake (Director of Service Operations, Transport for London):** We see all of these things as being doable but we do expect there to be marked differences of opinion in terms of the response coming back. Depending on where we land, people may wish to challenge the final decision that we get to.

**Caroline Pidgeon MBE AM (Deputy Chair):** This is different to the position when we had evidence before when Garrett [Emmerson] specifically said that it is not something that would be within our ability to alter in terms of the regulations. You have now looked at it and found it is very possible and you could do it within the regulations?

**Peter Blake (Director of Service Operations, Transport for London):** You raised it as an issue. We went away and reflected on that. None of these are without potential legal challenge in them. It is something we have had further discussions with the trade on. There is quite a lot of support but also quite a lot of views against it, as you would expect. That is why we very much want the conversation with the trade and with

customers to say, “Yes, we think this is doable. We will get an element of challenge and there may well be consequences of going down this line”.

**Caroline Pidgeon MBE AM (Deputy Chair):** Is your preference to require fleet insurance instead of or as well as individual vehicle insurance?

**Peter Blake (Director of Service Operations, Transport for London):** We would need clarity on one or the other. This is about providing absolute clarity. We will go down the line of a proposal that it is a requirement for vehicle owners that they will have hire-and-reward insurance at all times or we would have a fleet insurance option. The likelihood is that it will be one rather than both.

**Caroline Pidgeon MBE AM (Deputy Chair):** Do you have any feel for the proportion of existing operators that have fleet insurance to understand how many it would affect?

**Peter Blake (Director of Service Operations, Transport for London):** We have a sense of that. There is a relatively small number of companies that have their own fleet insurance at the moment. Some of them are quite large companies but in terms of the overall number it is a relatively small number. Arguably, there would be quite an impact on the rest of the trade.

**Caroline Pidgeon MBE AM (Deputy Chair):** Financially, there could be an impact?

**Peter Blake (Director of Service Operations, Transport for London):** That is what we need to be alive to.

**Caroline Pidgeon MBE AM (Deputy Chair):** Another option could be that you have a requirement that if a company has more than so many drivers and vehicles, it would then have to have fleet insurance?

**Peter Blake (Director of Service Operations, Transport for London):** That may well be something that comes out of, “Do not just say ‘yes’ or ‘no’. Tell us why”. You could see how a regulation may be explored on that basis.

**Caroline Pidgeon MBE AM (Deputy Chair):** We have heard lots of evidence of, supposedly, drivers switching off their hire-and-reward insurance once they get their licence. My understanding is that the full comprehensive hire-and-reward insurance is £2,000 to £2,500 a year compared to £600 or whatever it would be for your normal insurance. It is quite considerable. I can see that if you are paying monthly instalments you would just cancel your direct debit. Then you are not insured but it is saving you personally.

This is really important to tackle because it is about passenger safety. You need to ensure that vehicles are properly insured. We know there is evidence that cars have not been insured.

**Peter Blake (Director of Service Operations, Transport for London):** That is right. Separately to this, we are doing a lot of work with the Motor Insurance Bureau in terms of its data management and both parties’ ability to share data with each other so that we get that level of understanding. You are right that with the concept of premiums there is always that potential. We need to think of a way that we can responsibly - and with broad support from the industry - try to manage that.

**Caroline Pidgeon MBE AM (Deputy Chair):** We have heard evidence before that the industry only showed if a vehicle was insured but not the level of insurance.

**Peter Blake (Director of Service Operations, Transport for London):** That is right. The work we have been doing with them is to say that in terms of record-keeping we need more than that it is insured. We need to ensure that its insurance is in place and that it is private hire-and-reward insurance so that we get to a point where we can do spot checks on the side of the road and that information is available instantaneously. Then we, the MPS or others can take action at that point in time.

**Caroline Pidgeon MBE AM (Deputy Chair):** It is really positive that you have moved forward on this. I hope you are able to come up with some good regulations around this because, ultimately, it is about protecting passengers. Thank you.

**Murad Qureshi AM:** I will now move on to implementation timing. I will firstly quote back to you what your boss, Leon Daniels [Managing Director, Surface Transport, TfL], has evidently said, "We do not necessarily agree with all the proposals". That has been said publicly. Can you be clear to us, then, on which of the 28 proposals you do not agree with and why?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Through the course of this discussion, we have indicated that there are two views on many of them. A lot of them are really going to come down to a balance between one point of view and another point of view. I heard you use the word 'necessarily' in that statement. That is exactly what that is referring to.

**Murad Qureshi AM:** We have heard the corporate view and not personal views today?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** We have been very clear that this is a slightly unusual consultation in the sense that we have put a lot of proposals out there. They are proposals. They are things we could implement and so on. There are contrary views and arguments for and against implementing many of them. We want to hear a public debate that is as wide as possible.

We have been very conscious that, as Peter [Blake] outlined, the first consultation received a large number of responses and so on earlier in the year. There were widely differing views across many different parts of the industry - from traditional private hire operators, app operators, drivers, the taxi trade and so on - and we were not going to reach consensus on lots of these issues. The important thing was to put them out there as proposals, things that we can do and things that are capable of being implemented. It is also to address many of the things that in our mind have positive things going for them but also potentially negative things going for them. If I were sitting here saying, "We are going to implement all of these, come what may", you would say, "It is a not real consultation". This is probably even more of a consultation, if that were possible, than anything else we do in that sense.

**Murad Qureshi AM:** Thanks for that. That is what makes Leon's comments that much more interesting.

Could I just move to timing now? You have told us that the consultation will end just before Christmas on 23 December. When is the first likely occasion that we will see some of this being implemented?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** It is a very full-length consultation for 12 weeks and it closes just before Christmas. We are going to have to balance a desire from everybody involved across the various industries for clarity and for us to move quickly. Nobody wants us to sit on this for a huge amount of time. However, equally, given what I have just said, you will appreciate that there is going to be an awful lot to take on board in terms of trying to take a view on the multitude of opinions and views that we have seen. Where there is clarity and where the wider public debate - and Peter [Blake] has referred repeatedly to some of the focus group work and the wider engagement with members of the public - helps us get clarity quickly, we will potentially look to move faster. We have not ruled out the idea that we will



move faster on some things where we can either get consensus - and some of this stuff does have consensus in the industry - and/or where there is a clear public view. There may be other issues where we might move a bit slower. We are looking to move as quickly as possible and to do as much of the work in terms of analysing the consultation results and views as it comes in, rather than just sitting back and waiting until it is all in.

**Murad Qureshi AM:** Can we see any of these proposed reforms being put in place before the next Mayor is installed here at City Hall?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** We would hope to make decisions on them. The implementation timescales will obviously vary potentially depending on exactly what they are and what the requirements are for change within existing operations. Certainly we are looking to make decisions within the current mayoralty.

**Murad Qureshi AM:** You can well understand the future Mayor may have his or her own views.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Indeed, yes.

**Murad Qureshi AM:** I am not sure if candidates will put their own views in the arena yet. I have not heard them.

Anticipating things, are you expecting a legal challenge at all to your final plans?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** It is certainly not beyond the bounds of possibility. It would be premature at the moment with where we are.

As I have intimated, we are already likely to get a legal challenge in relation to the visibility of apps. London Private Hire (LPH) has already deposited a case in the court regarding that. Therefore, it is likely that that particular issue will get resolved in the courts. That is something we are not necessarily against. It is something we advocated directly in terms of the taximeter and it went to the High Court. We always said that in that case we would implement whatever was decided. We will look the same way.

Our overall hope would be that as far as possible we can avoid that sort of thing and that we can work with all aspects of the industry, armed with the views of the wider community around the way this industry should develop. We seek if not an unanimity of view certainly at least an acceptance that we have done a thorough process and taken on board a lot of very conflicting views and opinions from many different quarters.

**Murad Qureshi AM:** There is also the threat from the central Government that it will take these powers away. It never had them in the first place, actually; the MPS did.

Can I come to the final thing? What do you think would be the scenario with the private hire industry if none of these reforms happened and we just sat on our hands - if you can look ahead - and none of this was implemented?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** We have seen pretty clearly over the last 18 months to two years the very rapid growth in the number of private hire vehicles. We would expect that to continue. We have put out projections of where we would get to. We are already at over 91,000 vehicles this week as we speak. That is a huge growth. I cannot remember what figure I quoted to you in July but I think it was just over 80,000. You are seeing very rapid growth in the number of vehicles with consequent effects on congestion, consequent effect on air quality and so on.

We do not believe that no change is an option in any of this and nor does anybody within the trades. The questions are what change, how much and in what direction. We have to get the balance right.

**Darren Johnson AM:** It has been refreshing hearing you both come along today and talk about the consultation, how you are approaching it with an open mind, the genuine engagement, encouraging debate, not having a fixed view and it not being a *fait accompli*. Why can more TfL consultations not be like this, Garrett?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** I would always argue that they are.

**Darren Johnson AM:** They do not seem to be and 99% of people who have taken part in them probably would not agree.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Through this consultation I have pointed people several times to the consultation we did on the East-West Cycle Superhighway when there were substantial changes as a result of the consultation to the final scheme that is being built. I would argue that we do.

**Valerie Shawcross CBE AM (Chair):** Let us not get into a broader debate about that. Generally, I have been very pleased with the extent to which TfL has moved on this issue and recognised that problems were building up in the system and could not be avoided any longer.

A quick couple of things before we wrap up; I know we are running late. Do I get from you, Garrett, that when you have come to some conclusions about what you are actually going to be positively putting forward, there will be another consultation phase or is this it now?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** It would depend to some extent on what we ultimately came forward with. To draw an analogy again with some of the other smaller-scale and shorter consultations, we have gone back out on specific amended proposals.

**Valerie Shawcross CBE AM (Chair):** When you have made big changes?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes. Certainly this is the main consultation and we would not anticipate going out with another.

**Valerie Shawcross CBE AM (Chair):** You might need to come back with some changes?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes, it would depend if it was substantially different.

**Valerie Shawcross CBE AM (Chair):** That is very helpful. When you did your presentation at the beginning there, you did comment on the number of recommendations from the Committee that you have responded to and tried to adopt. You did not mention the ones you ignored. It would be very helpful if one of your people could do a grid to track it back through so that we can see the totality of how things have moved.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** I thought I had picked all of them up. If there are ones I have missed, we can certainly provide updates on those.

**Valerie Shawcross CBE AM (Chair):** It would be helpful to have it completed because we are coming up to the anniversary of the first report - when Caroline [Pidgeon MBE AM] was Chair - being published. It has been a difficult year for everybody. We would quite like to start bringing some of that to a conclusion now and to see what has moved and what has not. That was a 'yes', was it?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Yes.

**Valerie Shawcross CBE AM (Chair):** Thank you very much. The other thing is a general question from me.

When I was reading some of the submissions from various players in the field one of the things that was commented on was this issue of legal challenge. We are clearly in a situation where the mode of partnership between the private and public sector, in a sense, has broken down. There is a much more legalistic approach to the letter of the law rather than some shared objectives. Therefore, how legally defensible, sustainable and strong the proposals are very much matters.

Is it not the case that legally TfL's broader mandate to improve the environment, to promote public transport and to protect the public interest in London comes into play here? Are we only looking at the narrow confines of the regulatory framework for private hire and taxis, or do you believe that you can bring into play TfL's broader mandate to protect and promote the public interest in London?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Definitely, we should and increasingly are. That is one of the reasons I was at pains to point out in the strategy document the fourfold role that we play. The top level is that strategic transport authority role which, if you like, sits above even the role of regulating the taxi and private hire industries. You are increasingly seeing that in some of the things we are doing and saying. We just referred to the push that we and the Mayor are making for quantitative limits on the number of private hire vehicles, which is being made in a much wider context around congestion, air quality and so on. It is certainly not being made in relation purely to the needs and priorities of the taxi and private hire industry alone.

**Valerie Shawcross CBE AM (Chair):** It is a much more cross-cutting approach to the issue?

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Absolutely.

**Valerie Shawcross CBE AM (Chair):** That has been very helpful. Any further questions? Can I thank you both today for coming in? I know we have not asked you about all of them, but we have addressed the issues we thought were most controversial here. That is very much appreciated. Thank you for answering the questions as well as you did. It is much appreciated. Thank you.

**Garrett Emmerson (Chief Operating Officer, Surface Transport, TfL):** Thank you.

**Peter Blake (Director of Service Operations, Transport for London):** Thank you.