

Valerie Shawcross CBE AM, Chair of the Transport Committee

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Leon Daniels

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Via email

17 December 2015

Dear Leon

Private Hire Regulations Review consultation

The Transport Committee welcomes Transport for London's commitment to review private hire regulations and hopes that this will bring some much needed clarity in areas that are vital to the physical and financial protection of the travelling public. This response builds upon our investigation into taxi and private hire services in London and the recommendations set out in our report, *Future Proof*, published in December 2014. Our responses to the specific proposals are set out below and, unless otherwise indicated, represent the consensus position of the Committee. The Conservative group has expressed a minority opinion on a small number of the proposals; these are set out alongside the majority response from the Labour, Liberal Democrat and Green groups.

Proposal 1: Operators must provide a booking confirmation to passengers containing the driver photo ID and details of the vehicle being used to discharge the booking

The Committee supports this proposal. We believe that providing details of both the driver and the vehicle to be used to discharge the booking is an important step in ensuring greater passenger safety. A survey of passengers for our *Future Proof* report found that only half of private hire passengers always felt safe when using private hire services. We therefore support action that will increase passenger security. In considering the exact parameters of this proposal, TfL should ensure that due provision is made to enable passengers who do not have access to smartphone technology to receive similar levels of assurance when making a booking.

Proposal 2: Operators must provide booking confirmation details to the passenger at least five minutes prior to the journey

The Committee recognises the importance of creating a clear distinction between immediate hire and pre-booking. However, we do not support the proposal as set out in the consultation. We are concerned that the proposal as it stands would be largely unenforceable in practice, and could potentially give rise to situations which puts vulnerable passengers in danger. We do not believe that a strong public interest argument has been developed by TfL in support of this proposal. The Committee would like to see TfL examine alternative measures that would allow for a clear distinction between immediate hire and pre-booking. This may include seeking a formal statutory definition.

Proposal 3: Operators will be required to seek TfL approval before changing their operating model

The majority of the Committee supports this proposal in principle, to ensure that all licensees remain compliant with the regulatory framework. However, in developing the proposal, TfL should ensure

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that it has the necessary resources in place to allow for any such approval process to be carried out within a reasonable timeframe. TfL should also clearly set out the criteria by which changes to an *operating* (as opposed to a business) model are defined.

Conservative group response: We strongly support the aim of ensuring that all licensees remain compliant with the regulatory framework. However the Conservative Group believes it is important to achieve this without allowing regulatory burden to undermine innovation. Therefore instead of this proposal, operators should be free to change or vary their operating model so long as they notify TfL that they are so doing. TfL could then assess whether or not they consider the new operating model to be acceptable, but the operator should not need to await their rubber stamp.

Proposal 4: Security for app based booking platforms [e.g. facial or fingerprint login]

As set out in the response to proposal 1, we support measures that ensure that passengers have greater assurance around who is driving them. We therefore support the principle behind this proposal. However, TfL has not provided sufficient information on the technological or financial viability of this proposal for all operators. We therefore seek assurance from TfL that this proposal would not significantly penalise smaller firms.

Proposal 5: Operator must offer a facility to pre-book up to seven days in advance

The majority of the Committee recognises the importance of a diverse range of services available across the private hire market. This should allow for the travelling public to access options that guarantee them certainty in terms of an available service. This is of particular importance for people who rely on private hire for specific services such as hospital transport. It is also of benefit to disabled passengers who may otherwise be unable to access a suitable vehicle when required. Our understanding is that most traditional private hire operators already provide the ability to book services up to seven days in advance and in many cases, significantly further in advance. The regulatory framework should support the continuation of these services to ensure passenger choice. The majority of the Committee agree that it is reasonable to expect a private hire operator to provide a pre-booking service.

Conservative group position: The Conservative group recognises the importance of a diverse range of services available across the private hire market. This should allow for the travelling public to access options that guarantee them certainty in terms of an available service. This is of particular importance for people who rely on private hire for specific services such as hospital transport. It is also of benefit to disabled passengers who may otherwise be unable to access a suitable vehicle when required. Our understanding is that most traditional private hire operators already provide the ability to book services up to seven days in advance and in many cases, significantly further in advance. The regulatory framework should support the continuation of these services to ensure passenger choice. However, so long as the market provides the option of pre-booking, it should remain the choice of individual operators whether or not to provide this service.

Proposal 6: To no longer issue licences for in-venue operators or temporary events

The Committee examined the issue of in-venue licences as part of its investigation. In the *Future Proof* report, we suggested that no further licences of this type should be granted until TfL could demonstrate that effective enforcement was taking place at existing venues. We remain concerned that TfL and the police do not have sufficient resources to carry out effective enforcement against touts at a large number of late-night venues. We note the concerns of the private hire trade that legitimate operations which are convenient for some passengers may be adversely affected by this

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proposal. However, on balance we remain of the opinion that no further licences of this type should be issued at this time. TfL should keep this policy under review.

Proposal 7: Operator must have a fixed landline telephone which must be available for passenger use at all times

The Committee's view is that passengers should be able to contact an operator directly and in real time to discuss matters relating to a past, current or future booking. We do not believe it should be within the scope of the regulatory framework to mandate what specific technologies are used to facilitate this contact. Regulation in this area should focus on the required outcome – accessible communication – rather than the specific communication method, although we think it reasonable to incorporate some capacity for telephone communication. TfL should satisfy itself through compliance checks that operators are maintaining systems that enable passengers to resolve any issues in real time.

Proposal 8: Operators must not show vehicles being available for immediate hire, either visibly or virtually through an app.

The Committee is concerned that allowing private hire vehicles to be visually represented in an app as available for immediate hire may encourage drivers to cluster at popular locations. The Committee has seen evidence of congestion and anti-social behaviour associated with such clustering at Heathrow airport. The Committee is also concerned that this activity may amount to unlawful plying for hire and encourage touting. The Committee believes that further discussion is needed to establish the legality of this activity and consequently does not draw a firm conclusion at this time.

Conservative group position: The apps which show the availability of vehicles for hire are very popular with their users and we would be extremely reluctant to see this feature removed without extremely strong evidence that this was necessary.

Proposal 9: Operators will be required to provide specified information including details of all drivers and vehicles to TfL on a regular basis

The Committee welcomes this proposal, which builds on our recommendation in *Future Proof* that more should be done to increase the visible link between driver, vehicle and operator. We would like to see TfL use this information to improve enforcement and compliance operations.

Proposal 10: Operators must specify the fare prior to the booking being accepted

The Transport Committee's investigation found that passengers would welcome greater certainty over fares and we note that this proposal has been popular with TfL focus groups. This proposed amendment would provide certainty to customers and minimise the risk of customers being overcharged and/or additional charges being applied after the journey has commenced or due to waiting times. The majority of the Committee supports greater fare certainty, although some Members believe that this particular requirement would constitute over-regulation by TfL.

Conservative group position: The Transport Committee's investigation found that passengers would welcome greater certainty over fares and we note that this proposal has been popular with TfL focus groups. This proposed amendment would provide certainty to customers and minimise the risk of customers being overcharged and/or additional charges being applied after the journey has commenced or due to waiting times. We believe that this particular requirement would constitute over-regulation by TfL and believe that the private hire market already provides plenty of options for those who want fare certainty.

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Proposal 11: Operators must record the main destination for each journey, which must be specified at the time the booking is made

This was one of the recommendations in our *Future Proof* report. We heard that the recording of a destination was a crucial factor in allowing a journey to be planned in advance, which is one of the key features of pre-booking. We also heard that the absence of this requirement had made enforcement more difficult, as previously enforcement officers would have used the presence or absence of a recorded destination as evidence of a legitimate pre-booking or touting. Safety campaigners also expressed concern that changes to this policy- or ‘interpretations’ of the regulations, are potentially dangerous and confusing for the public:

“We have always operated on the basis that a pre-booked journey always includes a destination...it is just really important that our advice around safety is consistent with the regulator’s, as [the regulations] are being applied.” – Suzy Lamplugh Trust

The requirement for a main destination to be given at the time of booking was an established principle before the advent of app-based services, and considered best practice by TfL in its compliance checks. It is also included in the Department for Transport Best Practice Guidance (Department for Transport Taxi and Private Hire Vehicle Licensing: Best Practice Guidance March 2010, para 32.) A majority of Committee Members therefore support the proposal. However, some Members are concerned that this requirement would add unnecessary complication to established booking practices.

Proposal 12: Harmonisation of record retention periods.

The Committee accepts this proposal, which will assist in the efficiency and accuracy of compliance checks.

Proposal 13: Limit on the number of business names attached to each Operator’s licence

The Committee accepts this proposal, which should help to reduce passenger confusion over the services available to them.

Proposal 14: Specific requirement for an English language test for drivers

The Committee supports this proposal, on the grounds that it will ensure that passengers can communicate with the driver effectively in the event of an emergency or a dispute. TfL should work with training providers to establish the most appropriate method of testing English standards, which should focus primarily on spoken English.

Proposal 15: Drivers to only work for one operator at a time

This proposal requires further discussion, as it is not clear whether the requirement would prevent drivers from working for more than one operator simultaneously or sequentially. In the case of the former, we think it is reasonable to expect that a private hire driver should only be working for one operator per shift, to ensure that drivers do not cancel accepted bookings if a more lucrative one becomes available. However, in the case of sequential shifts, we have not been convinced that this proposal is in the interests of drivers, who are entitled to work for more than one company. We acknowledge that one possible benefit of this proposal may be to try and limit cases of drivers working extremely long hours. However, we also note that there is no comparable restriction for

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licensed taxi drivers who are currently exempt from working time directives. TfL should therefore clarify the intent of this proposal.

Proposal 16: Driver and operator licences applicants should provide national insurance numbers and share with the Department for Work and Pensions.

The Committee supports this proposal as a means of ensuring that drivers and operators are fully compliant with tax and benefits requirements.

Proposal 17: Vehicle licence to be revoked if driver licence revoked

The Committee supports this proposal. As set out elsewhere in our response, we welcome a strengthening of licensing which establishes clear links between driver, vehicle and operator. This proposal should reduce the possibility of an unlicensed driver using a licensed vehicle for touting and other illegal activity.

Proposal 18: Checks on convictions of operator staff

The Committee supports this proposal. Operator staff should undergo checks to confirm they are suitable to work in roles that involve day to day contact with passengers and knowledge of passengers' personal and financial details

Proposal 19: TfL to stop accepting payment by cheque and postal order

The Committee accepts this proposal, which is consistent with changes to payment methods across other TfL modes.

Proposal 20: Hire and reward insurance to be checked at the point of licensing and must be in place for the duration of the vehicle licence

The Committee supports this proposal, and calls for TfL to ensure that stringent checks of insurance are made at time of licensing and through regular compliance inspections. Operators who have been found to employ drivers without the correct insurance in place should be subject to penalties including revocation of the operator licence.

Proposal 21: Drivers to carry or display a copy of insurance details at all times

The Committee supports this proposal. We note that a similar requirement already exists for licensed taxi drivers and believe that this will assist in compliance checks.

Proposal 22: Hire and reward fleet insurance in place by operators (as an alternative to proposals 20 and 21)

The Committee suggests that this should be an optional requirement for larger fleets, to provide an additional assurance of cover. TfL should encourage larger fleet operators to adopt this proposal; however, we do not believe that this should absolve individual drivers of the responsibility to ensure that they have adequate personal cover in place.

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Proposal 23: Introduce additional categories of licence type

The Committee supports this proposal, which will allow for greater flexibility within the licensing process. In particular, the Committee is in favour of flexible licensing options that will incentivise the uptake of wheelchair accessible vehicles.

Proposal 24: Controls on ridesharing in licensed vehicles.

The Committee remains strongly opposed to any services which seek to match passengers and unlicensed drivers and will continue to press TfL to take full enforcement action against firms or operators which do so. But the Committee is in favour of appropriate ridesharing services as long as there are clear regulations to protect passenger and driver safety. This is a comparatively new area of regulation for TfL. As set out in our response to proposal 3, TfL should ensure that market innovation is not unduly stifled, while passenger and driver safety must remain the absolute regulatory priority.

Proposal 25: Amendment of advertising regulation to include 'in' vehicle

The Committee accepts this proposal, to ensure advertising materials are of a consistent quality.

Additional measures

Topographical skills: The Committee supports plans to enhance the content, management and delivery of topographical testing, to drive up standards and ensure adequate driving capability, with particular regard for the safety of pedestrians, cyclists, motorcyclists and other road users.

Complaints: The Committee welcomes TfL's commitment to greater oversight and management of private hire complaints. This was a recommendation in the *Future Proof* report and we are pleased that TfL has already taken positive action in this area.

Disability awareness training: This was a recommendation in the Future Proof report and we fully support TfL's plans to introduce mandatory disability awareness training. We would also like to see this developed for the licensed taxi trade. We repeat our calls for a zero tolerance policy for all drivers and operators who discriminate against disabled passengers.

The Committee is encouraged that TfL has adopted the recommendations in our report and that action is being taken to ensure that London's private hire trade is sensibly and appropriately regulated. We hope that the views set out in this consultation will prove of use in this regard.

Yours sincerely,



Valerie Shawcross CBE AM
Chair of the Transport Committee