

MDA No.: 1592

Title: Taxi and Private Hire Vehicles

1. Executive Summary

1.1 At the Transport Committee meeting on 23 January 2024 the Committee resolved that:

Authority be delegated to the Chairman, in consultation with the Deputy Chair and party Group Lead Members, to agree any output arising from the meeting.

1.2 Following consultation with party Group Lead Members, the Chairman agreed the Committee's letter to the Mayor of London on taxi and private hire vehicles, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chairman, in consultation with the Deputy Chair and party Group Lead Members, agrees the Committee's letter to the Mayor of London on taxi and private hire vehicles, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Keith Prince AM, Chairman of the Transport Committee

Date: 15 March 2024

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chairman, in consultation with relevant party Lead Group Members and the Deputy Chair, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letter and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the letter will be formally noted at the Transport Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): P. Goodchild

Printed Name: Paul Goodchild, Principal Committee Manager

Date: 14/03/2024

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Printed Name:

Date:

Legal Implications:

The Chairman of the Transport Committee has the power to make the decision set out in this report.

Signature (Legal):



Printed Name: Rebecca Arnold, Deputy Monitoring Officer

Date: 15 March 2024

Email: Rebecca.arnold@london.gov.uk

Supporting Detail / List of Consultees:

- Caroline Pidgeon MBE AM
- Elly Baker AM
- Sian Berry AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author


Signature: R. Clarke

Printed Name: Richard Clarke

Job Title: Senior Policy Advisor – Transport and Environment

Date: 14/03/2024

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen, Executive Director of Secretariat

Date: 14/03/2024

LONDON ASSEMBLY

City Hall
Kamal Chunchie Way
London
E16 1ZE
Tel: 020 7983 4000
www.london.gov.uk



Keith Prince AM
Chairman of the Transport Committee

Sadiq Khan
Mayor of London
(Sent by email)

15 March 2024

Dear Sadiq,

I am writing to share the findings of the Transport Committee's investigation into the Taxi and Private Hire Vehicle (PHV) industry in London.

The Committee held a meeting in January 2024¹, which focused on TfL's plans for taxis and PHVs in London, in the context of your intention to create a new Taxi and Private Hire Action Plan for this industry, as announced on 21 December 2023,² as well as current issues that the sector faces.

The meeting included the following guests:

- **Helen Chapman**, Director of Licensing and Regulation, TfL
- **Christina Calderato**, Director of Transport Strategy and Policy, TfL
- **Steve McNamara**, General Secretary, Licensed Taxi Drivers Association (LTDA)
- **Mariusz Zabrocki**, General Manager UK, FREENOW
- **Steve Wright MBE**, Chair, Licensed Private Hire Car Association (LPHCA)
- **Asher Moses**, Founder and CEO, Sherbet - The Electric Taxi Company

¹ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024

² Mayor's Question Time, [Questions to the Mayor Minutes](#), 21 December 2023, p 13

The Committee also received written submissions from a number of organisations, which are being published with this letter where appropriate.

This letter covers the following areas:

- 1) Plans for developing the new Taxi and Private Hire Action Plan
- 2) The high cost of taxi vehicles, and continuing need for further support
- 3) Supporting more people to complete the Knowledge, particularly women
- 4) Licensing and enforcement issues affecting drivers

New Taxi and Private Hire Action Plan

The Committee agrees that there is a need for a new Taxi and Private Hire Vehicle Plan as the current Taxi and Private Hire Vehicle Action Plan was last updated in 2016.³ The taxi and private hire industries have changed significantly in the past decade, with significant growth in numbers of private hire vehicles, and a decline in black taxis. In 2023, there were 89,600 PHVs licensed in London, up from 49,900 in 2013. In comparison, the number of black taxis in London has fallen from 22,200 in 2013 to 15,100 in 2023.⁴

Steve McNamara from LTDA told the Committee that policies to prevent older, more polluting taxis being driven had contributed to the reduction in numbers:

“The last Taxi Strategy we had was in 2016 and then historically, very shortly after that, we started talking about how we can decimate the fleet even further than we had already done by reducing the age limit on vehicles yet again. I estimate that we lost about £35 million through the lost residuals in second-hand vehicles that were wiped off when the age limit was reduced from 15 years to 12 years.”⁵

In our meeting, TfL told the Committee that the new Taxi and Private Hire Action Plan will look at both taxi and PHV industries at the same time.⁶ Guests at our meeting made several suggestions on areas that need to be part the strategy, including:

- The age limit of vehicles,⁷
- The fact that there is only one current Zero Emissions Capable (ZEC) vehicle available that meets the approved specifications,⁸
- Ways to make the taxi more affordable, including the continuation of the Plug-in Taxi Grant (PiTG),⁹ and

³ [Taxi and Private Hire Action Plan 2016](#)

⁴ Department for Transport, Data on Taxis, private hire vehicles and their drivers [TAXI0101](#)

⁵ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steven McNamara, p 7-8

⁶ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Christina Calderato, p 7

⁷ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 1

⁸ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 8; London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Asher Moses, p 9

⁹ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 8

- Whether the accessibility features of the black taxi should make it eligible for additional exemptions, such as the use of all bus lanes, or being VAT-exempt.¹⁰

TfL acknowledged there are certain things in the Mayor and TfL's Taxi and Private Action Plan that are out of date or need to be refreshed, including taxi fares and regulating pedicabs once legislation is passed.¹¹ The Committee support the plans going through Parliament to regulate Pedicabs, and considers that zero emission forms of transport, including forms of cargo bikes that transport passengers, should be incorporated within the scope a new wider strategy.¹²

There are several legislative issues which we heard about in our meeting, which require consideration as part of the vision and action plan process. These include: cross-border hiring,¹³ pedicab legislation to set licensing conditions,¹⁴ and the potential to license taxi apps.¹⁵

Recommendation 1: TfL should set out an engagement plan for developing the updated Taxi and Private Hire Vision. This should be a participatory process, including engaging with Assembly Members and the London Assembly Transport Committee.

Recommendation 2: The Mayor and TfL should consult around including Pedicabs, and other forms of transport, in the new Taxi PHV strategy.

Recommendation 3: The Mayor should work with Government on any legislative changes required to achieve the vision. This could include re-visiting discussions around capping PHV numbers and cross-border hiring, the content of pedicab legislation, and the potential to license taxi apps.

Affordability of taxi vehicles

The Committee heard about how the high price of the only model of ZEC taxi currently available is contributing to the sharp decline in the number of taxi drivers.¹⁶ The Committee heard from Mariusz Zabrocki, General Manager of FREENOW, who told the Committee that:

“We have pretty much one vehicle that is the only choice the drivers have. In terms of rental, that is £400 a week, equivalent to £20,000 a year, this is an awfully high cost, and that is because there is no competition. We need more vehicle models available. Maybe we need to look at some of the requirements such as the turning

¹⁰ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara p 2-3;

London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Mariusz Zabrocki, p 4

¹¹ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Helen Chapman, p 14

¹² London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, p 44

¹³ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, p 10

¹⁴ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, p 13-14

¹⁵ London Assembly, [London Assembly Transport Committee Meeting, 23 January 2024](#), p 24

¹⁶ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Mariusz Zabrocki, p 9

circle, to make sure we have more models, because executive class vehicles for PHV, they cost around £230 a week. That shows you how crazy is this price.”¹⁷

The Committee also heard from Steve McNamara, representing the Licensed Taxi Drivers Association (LTDA), who told the Committee that there is a “major problem insofar as we have one vehicle we can buy and one vehicle only.”¹⁸ Asher Moses from Sherbet - The Electric Taxi Company told the Committee that as well as affordability, there are also issues with reliability and access to parts:

“I am the largest electric taxi fleet and I cannot afford to buy them any longer. I am seriously considering, among my colleagues, whether we should continue to invest in a vehicle that is over £100,000, that cab drivers cannot afford to rent, let alone buy. These vehicles are great vehicles, but we cannot get parts, the prices to maintain these vehicles are expensive, and we cannot continue to increase rents on these particular vehicles.”¹⁹

However, Steve McNamara said that although “the reality is the vehicle is expensive”, it is also “the best vehicle that we have ever had by far.” He noted that it was difficult to create more competition in the market and attract new manufacturers as there was only limited demand for the vehicles. He said that “for the vast majority of time there has only ever been one vehicle and it has only ever been a monopoly. There have been periods when there have been other vehicles come and other vehicles go and the reason that they come and then they go is they tend not to be very good.”²⁰

The Committee heard how important the government’s Plug in Taxi Grant (PiTG) is in supporting the purchase of vehicles. The Committee therefore support the Government’s extension of the PiTG until April 2025,²¹ although the Committee has concerns that this has been reduced from £7,500 to £6,000 per vehicle.

There is a risk that with only a one-year extension there will be the same issues in April 2025. The Committee wants to see longer-term solutions considered, including removing VAT. Similar vehicles designed for disabled people are VAT-exempt.

Steve McNamara told the Committee “The Treasury needs to reduce VAT on the vehicle and TfL, the Mayor and, indeed, the Assembly should be pushing for that above all else.”²² The Committee agrees that these accessible taxis should be VAT-exempt, and that all accessible vehicles including taxis and wheelchair accessible PHVs should be exempt.

Recommendation 4: The Mayor should look at what steps he can take to increase competition in the approved London taxi market.

¹⁷ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Mariusz Zabrocki, p 9

¹⁸ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 8

¹⁹ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Asher Moses, p 9

²⁰ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 27

²¹ [Government to help more black cab drivers go green with further funding support - GOV.UK \(www.gov.uk\)](#)

²² London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 28

Recommendation 5: The Mayor should continue to liaise with the Government around support for the Plug-In Taxi Grant, and push for the Grant to be extended beyond April 2025. The Mayor should also continue to make the case to Government that all accessible vehicles, including taxis and wheelchair accessible PHVs, should be VAT-exempt.

Supporting more drivers to complete the Knowledge

There are fewer people applying to become taxi drivers as well as an ageing workforce. According to TaxiPoint, in 2018 and in years prior, there were an average of 2,000 candidates a year on the Knowledge (which is a series of tests required to be completed before a taxi licence can be obtained in order to become a taxi driver).²³ As of December 2023 (the latest data available), there were 1,009 students studying for the Knowledge. 24 of these students were female, representing 2.38 per cent.²⁴

Mariusz Zabrocki, representing FREENOW, told the Committee the Knowledge is “extremely difficult, takes three to four years [to complete]” and as there is “no defined list of pick-up points that people need to memorise, it is a very difficult exam.”²⁵ However, in November 2023, FREENOW launched an initiative to cover the cost of studying the Knowledge.²⁶ He told the Committee that in two months they had “more than 600 drivers who completed the criteria to start the process and more than 200 drivers are already in Knowledge Schools”.²⁷

Steve McNamara told us “The Knowledge is very much fit for purpose.”²⁸ He stated the Knowledge should be broken down into sections and be more modular,²⁹ however he noted:

“The only problem we have with the Knowledge at the moment, the demographics, the number of women is still very low, the number of women doing the Knowledge. We have tried to address that. We now run an all-women Knowledge School at our building in Southwark. Once a week we run an all-women Knowledge School. That is the only thing that really needs addressing and we have suggested to TfL various ways in which they could do that.”³⁰

²³ [What is The Knowledge taxi test and why is the exam taken by London's black cab drivers so tough? | The Sun](#); [Knowledge of London suggested changes to help raise taxi driver student numbers come under scrutiny \(taxi-point.co.uk\)](#); TfL states the 2000 students includes a number of inactive students that had applied but not followed up with their Knowledge studies, which were subsequently removed as part of an exercise to clean the data.

²⁴ [Taxi and private hire demographic statistics Dec 2023 \(tfl.gov.uk\)](#), p 3

²⁵ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Mariusz Zabrocki, p 9

²⁶ [FREENOW offers unique financial subsidy to help PHV drivers take on Knowledge of London taxi test \(taxi-point.co.uk\)](#)

²⁷ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, p17

²⁸ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 15

²⁹ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 16

³⁰ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 15

TfL told the Committee that the number of people applying to do the Knowledge is increasing, although it remains “98 per cent male, two per cent female.”³¹ Asher Moses from Sherbet told the Committee that ten per cent of his fleet of 530 vehicles are female drivers. He added:

“We tend to find that our female drivers, they tend to pick up pre-book fares, our customers ask for these particular drivers, they are a lot more approachable for what we call a ‘white glove’ service... Female cab drivers are very, very important for us.”³²

Recommendation 6: The Mayor and TfL should further explore making the Knowledge more modular, allowing people to complete the programme alongside their jobs. In response to this letter, the Mayor and TfL should set out what steps it is taking to encourage and support more women and people from a diverse range of backgrounds to enrol in the Knowledge.

Licensing issues affecting drivers

The Committee heard that updates to TfL’s Taxi and PHV Driver Policy³³ intended to improve safety had led to cases where taxi drivers were having their licences suspended in ways that appear disproportionate. Steve McNamara from the LTDA gave the example of a driver whose licence was suspended after receiving three points which had left him out of work.³⁴ He told the Committee:

“You now get a ticket at 24 mph. I can literally give you multiple examples of drivers who have been caught at 24 mph, 24 mph, 24 mph and 24 mph, at all hours of the night, and have lost their licences. Now, I accept the simple argument that they should not have done it, but of course in the real world these people are not a danger to anyone. They are not driving recklessly.”³⁵

He expressed that the enforcement changes and camera fines for driving speeds only slightly above the limit have been “devastating” for taxi drivers, because of the potential subsequent consequences for their licence.³⁶ He further stated that “Driving a taxi is now one of the most stressful occupations on the planet because of the sheer number of cameras, the plethora of unnecessary 20 mph limits, all of which are coming together to make cab driving the most stressful thing.”³⁷

Guidelines originally set by the Association of Chief Police Officers (ACPO), now known as the National Police Chiefs’ Council (NPCC),³⁸ make it clear that traffic enforcement should be guided by the principles of proportionality, targeting, consistency and transparency.³⁹ For

³¹ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Helen Chapman, p 20

³² London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Asher Moses, p 19

³³ TfL, [Taxi Private Hire Policy](#), July 2023

³⁴ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Asher Moses, p 46

³⁵ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 45

³⁶ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 44

³⁷ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 45

³⁸ National Police Chiefs’ Council [About Us](#)

³⁹ [Microsoft Word - Speed Enforcement Guidance ACPO 2011 2015 May 2013 Internet \(college.police.uk\)](#), p6

proportionality the aim is to relate enforcement to risks.⁴⁰ It also makes it clear that changes should be:

“part of a package with other measures to manage speeds which include engineering, visible interventions and landscaping standards that respect the needs of all road users and raise the driver’s awareness of their environment, together with education, driver information, training and publicity.”⁴¹

Steve McNamara described the combination of licensing changes and camera enforcement of new 20mph limits as being “an absolute disaster for us, and it coincides with a reorganisation of their appeal process”.⁴² The Committee heard that if a driver gets their licence suspended or revoked, they undergo an appeals process with TfL. However, the Committee heard that the appeals process no longer includes an independent external assessment.⁴³

The Committee also saw examples of disciplinary letters sent to drivers from TfL,⁴⁴ which did not have a proportionate tone and in some cases would appear punitive. Steve McNamara described the letters as “absolutely outrageous”.⁴⁵ He read out an example to the Committee, where the name of the taxi company was incorrect.⁴⁶ TfL told the Committee they are reviewing the tone of their correspondence.⁴⁷ The Committee supports the reform of the tone of these letters so that drivers can be engaged with the issues rather than alienated.

Recommendation 7: TfL should review its approach to how it deals with breaches of 20mph speed limits, to focus on behaviour change and achieve safe speeds and remove perceptions of unfairness. It should monitor the number of cases and trends over time and review awareness of 20mph limits and see if more can be done to reduce offending. TfL should write to the Committee with an update on this and how it has changed the tone of correspondence to drivers.

Recommendation 8: TfL should assess their new driver policy and reorganisation of the appeals process to ensure it is fair, independent and transparent.

I hope that you will take these recommendations on board to ensure the taxi and PHV industry is supported into the future.

⁴⁰ [Microsoft Word - Speed Enforcement Guidance ACPO 2011 2015 May 2013 Internet \(college.police.uk\)](#), p6

⁴¹ [Microsoft Word - Speed Enforcement Guidance ACPO 2011 2015 May 2013 Internet \(college.police.uk\)](#), p10

⁴² London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 46

⁴³ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 45

⁴⁴ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Steve McNamara, p 45

⁴⁵ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, Helen Chapman, p 47

⁴⁶ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024

⁴⁷ London Assembly, [London Assembly Transport Committee Meeting](#), 23 January 2024, p 46

Yours,

A handwritten signature in black ink, appearing to read "Keith", with a horizontal line underneath the name.

Keith Prince AM

Chairman of the Transport Committee