
Where to, Guv'?

The Transport Committee's review of the Public Carriage Office

November 2005



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The Transport Committee's general terms of reference are to examine and report on transport matters of importance to Greater London and the transport strategies, policies and actions of the Mayor, Transport for London, and the other Functional Bodies where appropriate. In particular, the Transport Committee is also required to examine and report to the Assembly from time to time on the Mayor's Transport Strategy, in particular its implementation and revision.

The terms of reference for the review of the Public Carriage Office were agreed by the Transport Committee on 29th June, 2005.

- To examine the impact of the PCO's fare pricing policies on:
 - a) customers
 - b) taxi drivers
- To examine the PCO's licensing requirements and the effectiveness of implementation, particularly with regard to the taxi emissions strategy.
- To establish the effectiveness of communication between the PCO and the taxi and private hire trade, including:
 - a) individual drivers
 - b) trade associations and unions
 - c) the trade press

Please contact Bonnie Jones via e-mail at bonnie.jones@london.gov.uk if you have any comments on this report the Committee would welcome any feedback. For press queries, please contact Lisa Moore on 020 7983 4228 or via lisa.moore@london.gov.uk

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Rapporteur's Foreword



London's taxis– iconic, instantly recognisable and world famous.

Taxis are an essential part of London's transport network, filling the gaps between other forms of public transport with a door-to-door service. Getting people home safely late at night, reaching parts of London not well served by bus, train or tube, and being the only part of the transport network fully accessible to wheelchair users makes them invaluable.

Little however is known about the regulation by anyone outside the trade. The Public Carriage Office (PCO), who regulate and licence taxis and private hire (commonly known as minicabs) was transferred from the Metropolitan Police to become part of Transport for London in 2000.

How well the Public Carriage Office has performed its role depends on whom you ask. There are many disparate groups within the taxi trade – licensed taxis that ply for hire, radio circuits that take bookings, and private hire that are pre-booked by telephone and cannot pick up passengers on the street. The Public Carriage Office has to manage the competing and sometimes conflicting demands of these different groups. This review assesses how well they have managed this difficult task over the last five years. We have sought to make constructive suggestions on how the PCO can develop a more strategic role for itself, improve its service to drivers and plan for the long-term future of the trade.

Finally, I would like to thank all the individuals and organisations that took the time to share their views with the Committee.

A handwritten signature in black ink that reads "Peter Hulme Cross". The signature is written in a cursive style with a horizontal line underneath the name.

Peter Hulme Cross
London Assembly Transport Committee

Executive Summary

The Public Carriage Office and the Licensed Taxi Trade

The Public Carriage Office (PCO) regulates and licenses London's world-renowned taxi service. It was transferred from the Metropolitan Police to Transport for London in 2000 to become part of an integrated strategic transport service. However, the transition has sometimes been difficult, as the PCO has taken on extra responsibilities including regulating and licensing private hire and implementing mayoral policy. Taxi drivers perceive this to be to the detriment of the service they have received.

The Committee therefore decided to investigate the PCO's performance since 2000, and has highlighted three particular areas of concern:

- the responsibilities and structure of the PCO
- the effectiveness of the PCO's communication with the taxi trade, especially with individual drivers
- the long term future of the trade

Restructuring the PCO

As part of TfL, the PCO has become a much more strategic body. Previously its focus was far more on operational responsibilities. Acting as both a strategic and operational body has led to a perceived lack of transparency within the PCO. The Committee has looked at the possibility of outsourcing the PCO's operational roles, including the testing system of the Knowledge and vehicle inspections. This would clarify the PCO's role as setting standards, rather than enforcing them.

The Committee also looked at how well the PCO has dealt with its new responsibilities of licensing the private hire trade and implementing Mayoral policy, particularly the Taxi Emissions Strategy. Taxis drivers are not opposed to the principle of reducing emissions, however many have concerns over the logistical reality of such a strategy. Many drivers feel that the strategy has been imposed without adequate consideration of the consequences on the trade. The Committee would like to see a two-way improvement in communications between TfL and the taxi trade to avoid such difficulties over future strategic decisions.

Recommendations

That as part of its drive to improve service to drivers, TfL and the PCO undertake a feasibility study to consider ways (outsourcing or another alternative) in which it could more clearly delineate between regulation and service delivery particularly with vehicle inspections and Knowledge testing.

That the Mayor consider appointing a representative or observer from the licensed taxi trade to the TfL Board as soon as an appropriate space becomes available

That all the key players within the licensed taxi industry make further efforts to re-form the London Taxi Board

That further investigation of the private hire licensing project be undertaken by the Transport Committee, including the effectiveness of the licensing operation, current and potential future regulations in the trade and the success of the operation against the illegal minicab trade

Improving Communications

Whilst large trade organisations have clear lines of communications with the PCO, the same cannot be said of smaller organisations and individual drivers. The PCO has not always provided information to drivers as well as it could, and the customer service standards provided to drivers have been widely criticised.

The effective provision of information to this diverse and diffuse trade is vital and resentment has built up amongst drivers in recent years who feel they are not receiving the service they deserve.

The PCO has accepted these criticisms and is seeking to address them and has declared itself open to suggested improvements. The Committee has made several recommendations on how clearer channels of communications can be established and how improvements to customer service might be made.

Recommendations

That the PCO develop a communications strategy identifying areas and sectors within and outside of the licensed taxi trade where improvements are needed, and how they will be made

That the PCO adopt service level agreements, in line with the rest of TfL

That the PCO undertake research in liaison with trade organisations on where further marshalled ranks could be implemented

The future of the trade

The Committee was concerned over indications that the long-term future of the licensed taxi trade might be at stake. Several organisations flagged up the issue of an ageing driver population, and provided compelling evidence that the entrance examination – the Knowledge – was affecting recruitment adversely. It currently takes around three years to complete the Knowledge and there is a perceived lack of transparency in the testing system. The Committee wishes to emphasise that it is not the content of the Knowledge, but the structure and process of it that is the root of the problem. The Committee has made recommendations to the PCO about strategic planning to ensure the longevity of this unique trade.

Recommendations

That TfL and the PCO ensure that the testing and marking system within the current Knowledge structure is fully transparent and in line with modern examination standards

As accessibility into this job market is already an issue which will only be exacerbated by an ageing driver population, TfL and the PCO should conduct a

comprehensive review of the Knowledge, in order to reduce unnecessary barriers into the industry whilst maintaining standards. The review should take account of the following issues:

- **modular/ syllabus testing structure**
- **satellite navigation systems**
- **the use of IT in testing and learning process**
- **the possibility of outsourcing the Knowledge as an academic qualification**

1. Introduction

- 1.1 Black cabs, or licensed taxis as they are properly called, are a reassuring and familiar sight on London's streetscape. Internationally renowned and instantly recognisable, they provide Londoners and tourists with a highly reliable and accessible service. Their unique status has been enshrined in legislation since 1869.
- 1.2 Of course, it is not just licensed taxis which provide a door-to-door service in London, but also minicabs or 'private hire' as they are called by the industry. The fundamental difference between the two is that licensed taxis may be hailed on the street, whereas private hire must be pre-booked by telephone.

Recent History

- 1.3 The Public Carriage Office (PCO) has undergone radical changes in the last five years. In 1999, the PCO was part of the Metropolitan Police, and responsible for licensing London's licensed taxis and drivers.
- 1.4 With the creation of Transport for London (TfL) in 2000, the PCO became part of London's first integrated and unified body responsible for co-ordinating its transport. It was given greater financial independence - managing the annual review of fares and setting licensing fees. It took on the responsibility of licensing the private hire trade, which today totals 2000 operators, 40,000 drivers and 40,000 vehicles. It has almost tripled its staff and revenue expenditure. Staffing numbers have risen from 75 to 210 and revenue expenditure from £3 million to £13 million¹.

Role of the PCO

- 1.5 Regulating licensed taxis and private hire is not just a matter of issuing licenses. The PCO is responsible for the Knowledge, setting vehicle inspection standards and carrying out inspections, and communicating news and changes in standards to its licensees. As TfL is one of the Mayor's functional bodies, the PCO now has public accountability, and is responsible for implementing the Mayor's policies. Two examples of this are the Safer Travel at Night campaign, warning people of the danger of unlicensed minicabs, and the Taxi Emissions Strategy, to reduce air pollution in London.
- 1.6 The PCO has a unique role as a regulator. Licensed taxi drivers are all self-employed individuals, and yet are part of a public transport body. Unsurprisingly, this has created problems. For example, the PCO maintains the cost index (a formula to incorporate living and running cost increases into the licensed taxi fares), and often frustrates drivers who do not consider fare rises to be adequate.
- 1.7 This report looks at the performance of the PCO overall since 2000, but focuses primarily on its interaction with the licensed taxi trade. The licensed taxi trade has seen the transference of the PCO from the Metropolitan Police to TfL and therefore has an overview of the pertinent issues and changes undergone by the PCO. Private hire is discussed in this report, but an assessment of how successful the PCO has been in licensing the trade merits a separate investigation in itself.

¹ PCO written submission – see Appendix A, pp.

- 1.8 In this review of the Public Carriage Office, the London Assembly's Transport Committee sought the views of licensed taxi and private hire trade associations, radio circuits, private hire operators and fleet owners, as well as individual drivers through a request for views in the trade press. Both the PCO and the Mayor provided extensive evidence on their performance since 2000, and we received contributions from a wide variety of organisations and individual drivers.
- 1.9 A series of meetings were then held with the Public Carriage Office and GLA Transport Team; London's Taxi Network; the London Cab Driver's Club and the Licensed Motor Cab Proprietor's Association.²

The licensed taxi trade

- 1.10 The licensed taxi trade is a diverse one. Broadly there are three distinct components within the trade – owner drivers (mainly dependent on street hirings), fleet proprietors (who rent out licensed taxis, accounting for many part time drivers) and the radio circuits (undertaking mainly corporate pre-bookings). There are overlaps however – just over a quarter of licensed taxis are affiliated to radio circuits, but will do a mixture of street hirings and pre-booked jobs. Some fleet vehicles are also equipped with radios, so drivers can switch onto the radio circuits if they wish.
- 1.11 Correspondingly, there are a number of different trade organisations and representative bodies, often involved in lively disagreements with the PCO and each other. The London Taxi Board was formerly made up of representatives from all the major trade organisations and interests, but in the last few years, several of these have withdrawn their affiliation. The PCO therefore has no single point of contact with the trade which can represent the spectrum of interests.
- 1.12 Indeed, the Committee encountered its own problems when conducting this investigation. The two largest trade organisations – the Licensed Taxi Drivers' Association (LTDA) and the Transport and General Workers Union refused to contribute to the Committee's review, and individuals' criticism of this scrutiny project has been particularly forthright. However, the Committee received much high quality evidence and had several positive discussions with various organisations.

Concerns about the PCO

- 1.13 The Committee heard a wide variety of opinions on the performance of the PCO. Whilst there is a great deal of hostility to the PCO from many individual drivers: "scrap it" "overly bureaucratic"³, and "poorly managed"⁴, larger organisations express the view that the PCO "does a difficult job very well"⁵ and in particular welcomed initiatives aimed at improving integration with the rest of London's transport network.
- 1.14 The issues raised were diverse – including effectiveness of communication, the Knowledge, vehicle inspections and the transparency of the organisation – and a common theme emerged: the need for modernisation. Indeed, the PCO has stated that the huge task of licensing private hire has been the main focus of its work in

² A full list of written submissions and meetings held by the Committee can be found in Appendix B

³ Letter from individual driver – available on request

⁴ London Motor Cab Proprietors Association written submission

⁵ London Taxi Board written submission

recent years. The initial licensing process is due to be completed in April 2006, after which it will be a matter of keeping the system up to date. This will free up more capacity for dealing with more strategic issues and reviewing some of the functions of the PCO.

- 1.15 This report considers the need for better two-way communications between the PCO and drivers. Drivers should be able to access information easily from the PCO, and the quality of service when contacting the PCO needs to be improved. Reform of the structure of the Knowledge⁶ is discussed as a way of ensuring the supply of drivers and the long-term future of the trade. A restructuring of the PCO with regard to its role and functions are considered, to assist with the extra responsibilities the PCO has undertaken as part of TfL. Moving the PCO towards becoming a strategic regulator – overseeing regulations, rather than enforcing them – may give clarity to the organisation’s policy and regulatory roles.

⁶ The unique topographical test of London that all licensed taxi drivers must pass

2. Communications

- 2.1 Problems with communication, mentioned either directly or indirectly, have been a major theme to emerge during the Committee's investigation. Good communication is a vital part of ensuring that an industry of largely self-employed individuals know and understand the regulations that govern them.
- 2.2 The main form of communication from the PCO is via PCO Notices, published in the trade press and on the PCO's website. However, many drivers do not read the trade press and so are often not informed about changes or new policies.
- 2.3 There is a great difference between the perception of larger organisations and fleets, and smaller organisations and individuals. ComCab told us: "[we] receive regular and informative communications from the PCO and also enjoy good feedback ... as well as finding the PCO more approachable, [they] are keen to initiate new projects with the participation of other stakeholders."
- 2.4 Larger organisations point to extensive recent improvements in communication, but also feel there is a long way to go: "When we say the PCO is a lot better, we dragged them kicking and screaming from the 19th into the 20th century... In other words, the improvement is enormous, but you have to remember where they started from. They did not communicate; they were high handed."⁷
- 2.5 Comments from smaller organisations and individuals, who feel that they are excluded from discussions and only paid 'lip service' in consultations suggest the PCO has failed to improve communications at this level: "The PCO do not communicate, discuss or consult", "decisions reached by the PCO lack accountability and transparency"⁸.
- 2.6 Good communication is a vital part not only of ensuring a good working relationship with drivers, but also of ensuring they have the correct information. There occasionally seems to be a substantial gap between perception and reality with regard to some of the factual information, for example over the workings of the cost price index.
- 2.7 The PCO's methodology is particularly criticised, described as "antiquated and ineffective"⁹ and "extremely poor. The PCO rely on word of mouth"¹⁰. The London Motor Cab Proprietors Association alleges that it has occasionally received letters, but for matters such as recycling mobile phones as rape alarms, rather than issues and decisions that will directly affect its members' business.
- 2.8 The PCO provided an extensive list of topics it has recently consulted on, including the emissions strategy, the Conditions of Fitness review, access to bus lanes, fares and licensed taxi ranks. Consultation is a notoriously difficult task, and the PCO points out it is not a referendum. It goes on to say "Where sometimes, the

⁷ Geoffrey Riesel, Transcript of meeting 28 September 2005

⁸ Richmond Road Cab Centre written submission

⁹ Letter from individual driver – available on request

¹⁰ Richmond Road Cab Centre written submission

communication is perceived as breaking down it is when, having listened to people, we do not actually take their point of view.”¹¹

- 2.9 Organisations such as London’s Taxi Network, the LTDA and the Transport and General Worker’s Union have regular meetings with the PCO and the Mayor’s advisors. Meetings with smaller organisations do occur but (understandably) appear less frequent. These organisations also express their frustration with the outcome of the meetings and do not feel they have been listened to.
- 2.10 Roundtable meetings of all trade organisations have been attempted, but have not been considered successful: “The conduct of the meeting... has not been ...very positive [or] constructive, because they each have their own agendas, they tend to be there to point score off each other.”¹²

Improving Communications

- 2.11 A distinctive feature of expansion in the licensed taxi and private hire trades in recent years has been the extensive roll out of new forms of communications technology. Innovations allowing customers to access services via email, the Internet and mobile phones have benefited companies and their customers. This however has not been reflected in the PCO. Communication methods badly need to be updated. For example, use of email to send out PCO Notices is minimal.
- 2.12 The PCO itself acknowledges the problem: “We accept those criticisms [about poor communication] and we know that not every driver is on a radio circuit or a drivers’ organisation. We accept that we have not done a good job. We would like to communicate better with them and we aim to do that.”¹³
- 2.13 The PCO itself has acknowledge that its web and email based services need improvement, and is working to remedy this by introducing web based licensing and information services. By making more information more readily available, such as more detailed explanations of the fare-pricing index, the new service charter recently produced, or vehicle inspection criteria (a recent source of discontent), the PCO could overcome some of the misconceptions about policies that currently exist.
- 2.14 Many positive suggestions on improving communications have been received by the Committee. In addition to better provision of web and email services, the possibility of text alerts and a regular newsletter were raised.
- 2.15 To ensure a comprehensive and effective improvement to communications, the Committee recommends a strategy be drawn up, with particular reference to improvements in providing information to individual drivers and better use of technology.

¹¹ Roy Ellis, Transcript of meeting 5 October 2005

¹² Roy Ellis, Transcript of meeting 5 October 2005

¹³ Ed Thompson, Transcript of meeting 5 October 2005

Recommendation 1

That the PCO develop a communications strategy identifying areas and sectors within and outside of the licensed taxi trade where improvements are needed, and how they will be made.

Customer Service Standards

- 2.16 Communication is not just about the PCO sending out information, it is also about drivers being able to contact the PCO. Individual difficulties in getting through to the PCO by telephone, slowness in resolving queries and problems over the processing of licenses were raised often in evidence received by the Committee. Eddie Crossley of the LMPCA says: "I leave messages and I have to wait 10 days for someone to come back to me from the PCO. It is ridiculous. I leave messages, I email messages, I leave fax messages, I leave phone messages with the secretary and nothing."¹⁴
- 2.17 Improvements have been made since the transfer of the PCO from the Metropolitan Police to Transport for London (although many drivers have yet to feel the benefits of this). Better integration into the public transport system has helped passengers to plan their journeys, especially when travelling at night, for example through better provision of web services, which provide drivers with information when planning their journeys. The PCO's 'customers' are passengers as well as drivers and opportunities exist to improve its service standards to both parties.

Service charter and service level agreements

- 2.18 The PCO has already taken steps towards dealing with some of the problems raised by drivers, by drawing up its service charter, which sets out its remit, what service licensees can expect from it and how to make complaints. It is also taking steps to reorganise management along service delivery and standards/regulatory functions, "now private hire licensing is business as usual and no longer a project". This should assist with improved delivery of services as well as marking a clear distinction between the two facets of the PCO's role. Outsourcing operational functions will be discussed in further detail in chapter 4.
- 2.19 Further steps need to be taken to overcome these problems. Practical applications of the Service Charter implemented through service level agreements such as set times of responses to correspondence and complaints, in line with TfL and the rest of the GLA family, should be adopted.
- 2.20 Furthermore, the PCO should consider the use of liaison officers dealing specifically with driver queries, directing problems to the correct person, and ensuring service level agreements are upheld. Other divisions within TfL have this facility, for example London Buses has a liaison team dedicated to dealing with bus contractors. Whilst this comparison is not neat, as the number and nature of potential queries vary, it suggests there are commonly used practices within TfL that could be applied to the PCO.

¹⁴ Alan Fleming, Transcript of meeting 27 September 2005

IT Services

- 2.21 The PCO is also planning more extensive use of and better integration of IT services. This includes the web based licensing discussed in the previous chapter, as well as combining taxi and private hire licensing data into one database, initiating automated data transfer between the PCO, TfL and third parties such as the Criminal Records Bureau (CRB), and introducing remote access for PCO staff.
- 2.22 There is also work underway on transferring the PCO's information management and IT services to TfL's service provider, however the PCO comments: "little progress on improving the PCO's own services to licensees and applicants through technology can take place until the transfer is complete and adequate support systems are in place."
- 2.23 This should eventually result in real benefits to drivers, as it becomes easier to track licence applications through the system and eliminates some of the bureaucracy that appears to have snagged up applications thus far. In particular CRB checks have delayed processing of applications, and better data transfer with the PCO would certainly aid this.

Service to passengers

- 2.24 As part of an integrated transport network, the PCO can deliver improved services to passengers through initiatives such as marshalled ranks and improved access to information on their website. Marshalled ranks provide an easy access point for members of the public travelling home at night, deterring them from using unlicensed minicabs. It is also of benefit to drivers, as marshals can match drivers and passengers wishing to travel in the same direction. This is particularly useful to drivers at the end of their shifts, wanting to get home quickly.
- 2.25 Currently one marshalled rank operates on Cranbourn Street in Central London, which TfL have just announced will be made permanent¹⁵, and there will soon be one in Bromley City Centre. Traditional ranks, a common feature throughout London, can also be utilised through clear and obvious signage.
- 2.26 The PCO has also tackled 'grey' areas – parts of the central zone that are underserved by central London licensed taxi drivers – by allowing suburban drivers in these areas. This initiative has been rolled out so far in Tooting, Balham and Clapham, but Hackney was raised to the Committee as another example of where this could be considered. The PCO should work closely with drivers and their organisations to identify other areas where this could happen.
- 2.27 The PCO has also used its website to provide information to the public on getting a licensed private hire vehicle, with a searchable database of operators and their contact details. The recently-launched text service provides people with details of the One Number¹⁶ service details and two local private hire operators.

Further integration?

- 2.28 The initiatives the PCO has put in place are to be welcomed. However much more needs to be done. The PCO needs to prioritise the communications and customer service problems identified above to try and resolve some of the ill feeling that exists between itself and the trade.

¹⁵ TfL Press Release, 8 November 2005

¹⁶ Customers can now contact all six radio circuits through a single telephone number

- 2.29 When drivers feel the benefits of integration into TfL they may be more willing to accept some of the requirements made of them in recent years. For example, receipt printers were made mandatory after a number of cases where some customers were refused a receipt, and this move was unpopular within the trade.
- 2.30 Drivers need to be shown the benefits of further integration with TfL, and further use of initiatives such as marshalled ranks and allowing suburban drivers to work in areas underserved by All-London drivers will help this.

Recommendation 2

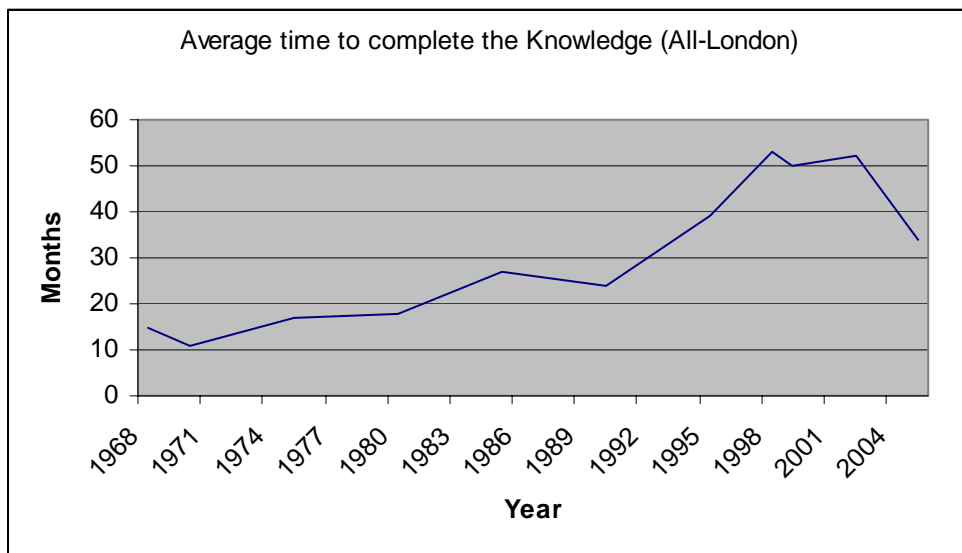
That the PCO adopt service level agreements, in line with the rest of TfL.

Recommendation 3

That the PCO undertake research in liaison with trade organisations on where further marshalled ranks could be implemented.

3. The Knowledge

- 3.1 The sight of moped drivers closely scrutinising maps of London attached to their windshield is familiar to many Londoners. This is how potential taxi drivers gain the Knowledge, by trawling the streets of central London, learning every road, landmark and institution.
- 3.2 The Knowledge is a key element behind the world-renowned reputation of London’s licensed taxi service. Individual drivers and organisations are understandably proud of this institution and believe it should be preserved but there are concerns that it is currently not meeting the demands of both drivers and passengers.
- 3.3 Whilst the Knowledge itself sets very high standards that need to be maintained, LTN claims: “it is too bureaucratic, takes far too long and neither attracts the best candidates nor allows those who do apply to pass at the speed of their ability.” It also criticise a lack of transparency in the testing system but emphasises that it is the process, rather than the content of the Knowledge that needs to be reformed.
- 3.4 As the table below shows, the average time to complete the Knowledge has increased dramatically, particularly in the last twenty years. It takes approximately three years, but this is an average and some candidates take much longer. The partner of one driver noted that it had taken her less time to become a lawyer than it had for him to become a licensed taxi driver! This is despite the fact that content of the Knowledge has remained largely unchanged since the 1960s.



Source: PCO and LTN

- 3.5 The Knowledge requires both personal and financial commitment and an alternative source of income to support the candidate whilst training. This is leading to high drop out rates - 60% – 80% according to current figures. It is vital to ensure that people are not dropping out for any other reason than failing to meet the required standard. Many organisations believe that these problems are leading to an ageing and declining licensed taxi driver population. Indeed, 98% of

licensed taxi drivers are over 30, and there are more drivers aged over 70 than there are aged under 30.

- 3.6 These are worrying trends and the future of the trade could be under threat. In the long term this could lead to demand surpassing supply, and many potential licensed taxi drivers entering the private hire trade instead. LMCPA states “if things go on as they are at the present moment, we are a dying trade”¹⁷.
- 3.7 LTN and others believe that the archaic structure is the cause of these problems. An average of 25 months is spent learning the 320 All-London routes, which is then followed by a series of tests or appearances, lasting another 25 months. This mixture of syllabus and modular testing is “cumbersome and inefficient”¹⁸.
- 3.8 The Knowledge is tested purely by one-to-one appearances, with ‘pencil and paper’ grading. This is not in accordance with modern examination methods. One to one testing risks inconsistency and is an outdated method of examination. It is argued that the testing procedure lacks transparency and seems unduly penalising.
- 3.9 Candidates must accumulate points from each appearance, and can be knocked back to zero points if they fail to achieve a certain number of points within a certain number of appearances. Indeed, a candidate of high quality who has one bad appearance could be knocked back to the beginning of the testing process, rather than resitting the part they had failed. There have been some recent improvements, but there is little explanation of how these points are awarded, and LTN feels that the points system “smacks of endurance testing rather than an academic exercise”¹⁹.

Recent progress and reform

- 3.10 The PCO has begun to take a pro-active role in encouraging more people to join the trade. It has reduced the time from an all time high of over four years recently, by introducing a revised ‘Blue Book’, a guide to learning the Knowledge. It has also lowered the age limit from 21 to 18, which now means that school leavers could consider entering the trade as a career. This has undoubtedly made an impact and is to be welcomed. Candidates are now given two years to learn the Blue Book and may come back any time within that period to begin the testing process.
- 3.11 Furthermore, the PCO has introduced a new top grade in the points system, allowing candidates to progress directly from one appearance to the next, thus speeding up the process for the most able candidates. The PCO has also embarked on a recruitment drive to encourage more women and black and minority ethnic candidates onto the Knowledge, addressing the current under-representation among licensed taxi drivers.

Modernising the Knowledge

- 3.12 The PCO states “there is as much flexibility within the system as we can allow”²⁰, however significant problems remain that are not currently being dealt with within this system. An overhaul of the current system is required. The following diagram

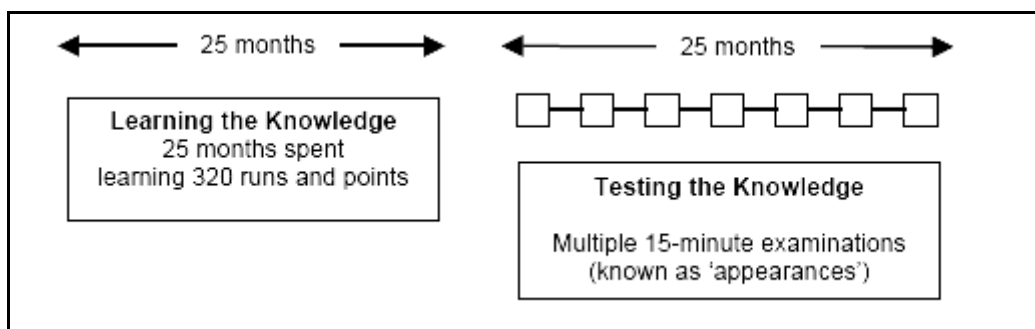
¹⁷ Ivan Kovler, Transcript of meeting 27 September 2005

¹⁸ LTN written submission

¹⁹ LTN written submission

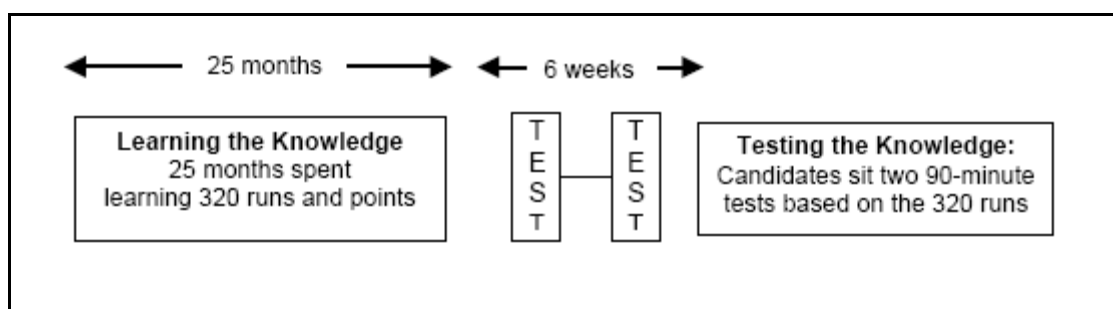
²⁰ Roy Ellis, Transcript of meeting 5 October 2005

shows the inefficiency of the current testing process, with the learning and testing processes taking the same amount of time:



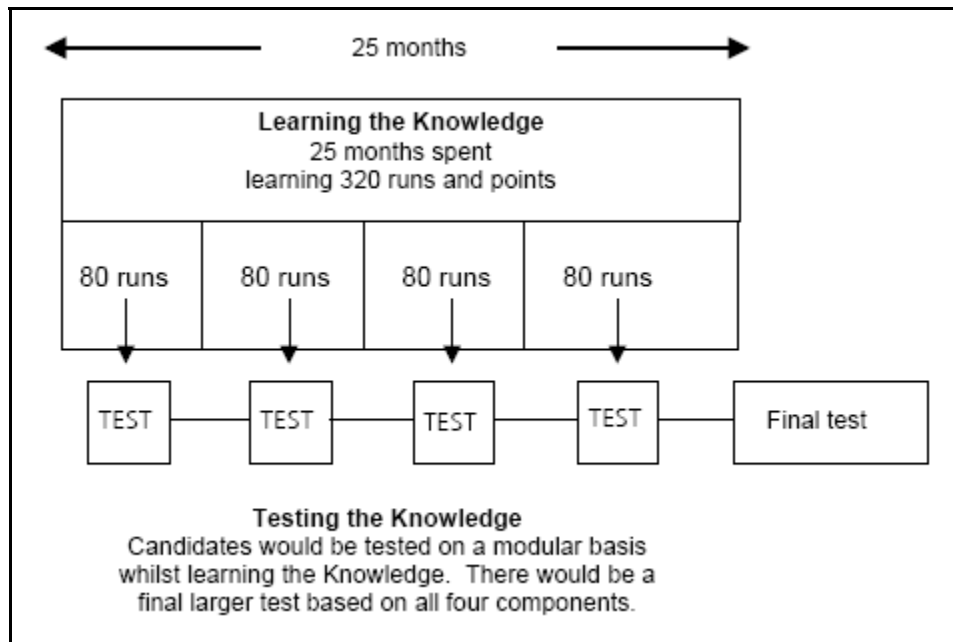
Source: LTN evidence

- 3.13 Within the testing process there are further stages – candidates are tested at basic, intermediate and advanced routes.
- 3.14 Despite the two-year limit for learning the Blue Book, LTN alleges that this is an average time, rather than a maximum. If this is the case, a more traditional syllabus testing system, ending in two or three long examinations should be employed, so that candidates can progress quickly through this stage. This model is shown below:



Source: LTN evidence

- 3.15 However, another potential system would be for a modular examination system to be introduced, with candidates progressing through the learning and testing process simultaneously, as shown below. The current system of testing basic, intermediate and advanced routes could be incorporated into this, with candidates building on their existing knowledge as they progress, thus embedding the learning process further. This would allay fears that candidates may have forgotten the first routes they have learned by the time they got to the end of the process.



Source: LTN evidence

- 3.16 There is opposition within the trade to Knowledge reform from drivers and organisations who fear the market will be ‘flooded’, thus depressing their own earnings. A comprehensive MORI survey commissioned by the LTDA shows clear evidence that taxi supply slightly exceeds demand at present. The survey does not, however, address potential long-term concerns about taxi supply associated with the retirement of drivers from the profession, or any potential increase in demand. The Committee would suggest this kind of flexibility needs to be built into the system now. It is the duty of the strategic body regulating the trade to plan for the long term, rather than deal with problems in an ad hoc manner as they arise.
- 3.18 The MORI survey also found that taxi users are satisfied with the number of taxis available at almost any given time, particularly in central London. However, as previously mentioned, the Committee heard evidence that ‘grey areas’ exist in the suburbs where supply of taxis is a real problem. Tackling this issue through ensuring supply can rise with demand and enabling drivers to work in underserved areas through initiatives such as marshalled ranks should be a priority for the PCO.
- 3.19 The Committee emphasises that restructuring of the Knowledge would not affect the content or rigorous standards that currently exist. It would introduce more flexibility into the system to ensure the long term future of the trade.

Accountability and auditing

- 3.20 There are checks and balances within the testing system to ensure personal bias does not unduly affect candidates – Knowledge students see different examiners on each appearance. The marking system has also been made more transparent. A senior examiner audits the examiners themselves, their grading and the appearances they take part in. The PCO has said that it is actively pursuing getting an external body to audit its processes to ensure they comply with modern academic practice.
- 3.21 However, whilst it seems there are as many checks and balances in place that one-to-one testing can allow, there is a fundamental lack of anonymity within the process that simply does not sit with modern examination practices, and may well

put off some candidates. There is no official record of the appearances, for example being tape-recorded. Of further concern, there is no appeals process if candidates feel they were unfairly scored. The PCO needs to consider other ways of testing candidates, or at least supplementing one-to-one appearances with more objective methods.

- 3.22 Increased use of IT would certainly be one way this could be done. IT is already used in Knowledge schools assisting in helping candidates learn routes. Satellite navigations systems are also being used for learning the Knowledge. Whilst satellite navigation is not a replacement for the Knowledge, it is a sophisticated and fast-developing technology that should not be ignored. Better use of IT in testing would introduce a more auditable, anonymous process and would also aid in implementing an appeals system.
- 3.23 The argument against use of IT systems in testing is that it is inflexible. For example, hotels may change their name and roads be closed off, which would require the system to be constantly updated. Currently, Knowledge examiners are given a day off a week to update their own knowledge. The PCO maintains that this gives a degree of flexibility if candidates' knowledge is out of date by a day or so – the examiner can take this into account. However, equally, this could work against the candidate, and there seems no reason why an IT system could not be kept updated by examiners.
- 3.24 The LMPCA has raised the possibility of making the Knowledge a university syllabus²¹, in which case an external independent body would administer it. The theme of outsourcing some of the more 'hands-on' functions of the PCO is developed in the next chapter.

Recommendation 4

That TfL and the PCO ensure that the testing and marking system within the current Knowledge structure is fully transparent and in line with modern examination standards.

Recommendation 5

As accessibility into this job market is already an issue which will only be exacerbated by an ageing driver population, TfL and the PCO should conduct a comprehensive review of the Knowledge, in order to reduce unnecessary barriers into the industry whilst maintaining standards. The review should take account of the following issues:

- **modular/ syllabus testing structure**
- **satellite navigation systems**
- **the use of IT in testing and learning process**
- **the possibility of outsourcing the Knowledge as an academic qualification**

²¹ LMCPA written submission

4. Capacity of the PCO

- 4.1 Outsourcing the Knowledge would have two primary benefits – expanding much needed capacity at the PCO and introducing a more robustly accountable process. It also raises a wider issue about the operational and strategic roles of the PCO. In this context, it is worth considering whether other functions of the PCO could also be outsourced to ensure consistency.
- 4.2 Licensed taxi vehicle inspections have been raised frequently in the Committee’s investigation. This is the process licensed taxi drivers go through once a year to ensure their vehicle is consistent with the PCO’s standards, and is undertaken in-house at the PCO’s premises on Penton Street.
- 4.3 Individuals reported difficulties in obtaining appointments for licensing inspections. If the vehicle is failed on inspection there are issues of ‘timing out’ of licenses whilst trying to arrange another inspection. It has been stated that this inspection point cannot cater to demand: “The growth in the number of black cabs has made the Penton Street facility inadequate for today’s needs with no room for expansion”²². Individual drivers have noted that long queues are frequent.
- 4.4 The PCO has recently criticised the standard of some of the vehicles presented for inspection. Drivers usually hand over their vehicle to a garage to ensure the vehicle is to the correct standard, do any necessary work and present the vehicle to the PCO.
- 4.5 The PCO has alleged that garages have begun to bring in vehicles for ‘job lists’ of work to be done. To combat this, the PCO has reduced the number of re-inspections a vehicle can undergo as part of the license fee – there used to be no limit, and now drivers are entitled to one test and a free retest. They have also published garage performance statistics, showing which garages are presenting the highest number of failed vehicles.
- 4.6 Allegations have been made by drivers and garages that vehicles are being failed for minor points such as a scratch on the vehicle or the bodywork ‘lacking lustre’. The PCO here asserts that vehicles would not just be failed for such minor reasons, but that there are usually other defects as well. It has been said that garages may be unwilling to disclose the extent of the deficiencies in the vehicle and have not told the owner the whole truth about the reasons for failure. The PCO told the Committee that it has encouraged drivers who perceive their vehicles to have been failed for petty reasons to come forward and discuss it with the PCO but says so far none have been forthcoming²³.
- 4.7 The PCO is planning to make its inspection manual available on the website and stress that it is happy to provide copies to anyone who requests it. This should help clarify the standards that are expected of licensed taxis. Garage performance statistics, whilst unpopular, have demonstrated that there are huge discrepancies in first time passes, and according to the PCO these league tables have encouraged improvement in recent months.

²² LSTC written submission

²³ Roy Ellis, Transcript of meeting 5 October 2005

- 4.8 However, it is understandable that antipathy exists among drivers and garages towards the PCO in this matter. The PCO sets the standards as well as enforcing them, which gives an appearance of a 'closed shop' and leads to a perception of a lack of transparency in the PCO.
- 4.9 One solution would be to outsource vehicle inspections. Naturally, the PCO would oversee the standards enforced by garages, through a strict tendering process. However, directly enforcing standards would be delegated to private garages on a day-to-day basis, as with MOTs. The Committee understands that the PCO is currently undertaking a Best Value Review, including this suggestion.
- 4.10 Outsourcing vehicle inspections to several different stations would serve a fourfold purpose. First, it would reduce waiting times for inspections, as there would be more testing stations. Second, it would give drivers more options of where to travel to, potentially reducing travelling distances, particularly as many drivers live outside of London or in suburban areas.
- 4.11 Third, it would introduce greater transparency to the system, marking a clear line between setting and enforcing standards. Since 2000, the PCO has taken on a more strategic role, and outsourcing vehicle inspections would divorce the strategic from the operational functions. Fourth, it would allow the PCO to implement further best practice guidelines, as it has done by publishing garage performance statistics, without compromising its position by enforcing as well as setting standards. The Committee welcomes this initiative and would like to see the PCO pro actively pursuing other areas where performance can be improved in this manner. However, this is conditional on the PCO acting as a strategic, rather than operational body.

Recommendation 6

That as part of its drive to improve service to drivers, TfL and the PCO undertake a feasibility study to consider ways (outsourcing or another alternative) in which it could more clearly delineate between regulation and service delivery particularly with vehicle inspections and Knowledge testing.

5. The Mayor and the PCO

- 5.1 Since the PCO has fallen under TfL's remit, it is now a publicly accountable body. Implementing Mayoral policy is a new role for the PCO and a change from merely regulating the trade. This is unpopular with many drivers, who perceive there to be a lack of understanding of the licensed taxi trade, and the blame for unpopular mayoral policies has fallen on the PCO. Implementing policy, combined with the new role of licensing and regulating private hire, means the PCO has taken on a raft of new responsibilities.
- 5.2 Regulating the private hire trade, implementing the Emissions Strategy and reviewing the Conditions of Fitness²⁴ are the three largest projects that the PCO has undertaken since 2000. We will now turn to how successful it has been in delivering these projects, to illustrate how conflict between the PCO and the licensed taxi trade has played out.

The Taxi Emissions Strategy

- 5.3 The Taxi Emissions Strategy has been a source of irritation for many drivers recently and featured highly in the Committee's consultation responses. Many drivers are unclear as to what the current arrangements are, and feel that the Strategy has been imposed on them by the PCO, TfL and the Mayor, that the details of the policy are ill conceived and its implementation is proving to be muddled at best.
- 5.4 Emissions standards are measured by what is known as Euro standards. The requirement of the Emissions Strategy is that all taxis must meet Euro 3 standards by June 2008. Approximately a quarter of licensed taxis currently meet Euro 3 standards, the rest are either Euro 1, Euro 2 or pre-Euro (by far the most polluting).
- 5.5 Pre-euro vehicles must convert during 2006. These are the oldest vehicles and owners would in any event be looking to replace these vehicles within the next couple of years. The PCO itself predicts that all pre-euros will be off the road by 2008, therefore drivers will have invested £2500-£3000 to convert a vehicle they would in any event have been scrapping in the next three years.
- 5.6 Most of the evidence received by the Committee welcomed initiatives to tackle air pollution, is keen to reduce the environmental impact of the trade and point out health benefits of an improved working environment for drivers themselves.²⁵
- 5.7 However, there is a great deal of opposition to the particulars of the strategy and the way it will be implemented. Many drivers are not clear as to the current arrangements for implementation and their objections and concerns have not been

²⁴ The Conditions of Fitness are the strict criteria that a vehicle must comply with if it is to be a licensed taxi. For example, it must have a 25ft-turning circle allowing it to u-turn in a much tighter space than other vehicles. There is currently only one manufacturer; London Taxis International, who can build cabs to these specifications.

²⁵ Kingston and Surbiton evidence

addressed, although the revised timetable, put back by a year, seems to have been as a result of pressure from the industry.

- 5.8 The problems with the Emissions Strategy stem from two sources – the logistical problems and the lack of support for the Strategy within the trade.

Costs and residual values

- 5.9 The PCO has not been able to communicate a precise figure for the costs of conversion equipment. There are several different approved systems, costing between £2500- £3000. A 20p charge has been added to the flat fare for all licensed taxis, regardless of what emissions standard they are currently at.
- 5.10 The onus is on the driver to recoup the costs over a period of approximately three years. This is entirely dependent on the number of hours a driver works. Given the age profile and uneven working patterns across the sector, three years is only an average, and it could take significantly longer for a large proportion of drivers, even prompting some drivers into full retirement. The strategy places a financial burden on drivers to invest in retrospective technology, which will be redundant within years.
- 5.11 Ring-fenced money from the Department for Transport and the Energy Saving Trust, and funding from the GLA was considered for this, but was not made available. ComCab, which supports the strategy, comments “A better strategy would have been to gain drivers’ support for the initiative by providing more direct and immediate finance to help them with the conversion process.” The issue here, as LSTC points out is that “the trade doesn’t usually want subsidies” and is proud of its self-financing status.
- 5.12 The Strategy will also deplete the residual value of second-hand vehicles, as drivers will be unwilling to pay current prices for a vehicle they will then have to spend several thousand pounds converting. The second-hand market is an integral part of the licensed taxi trade, and the relative cut in values may mean drivers suffer a financial loss, prompting them to leave the trade.

Variety of options

- 5.13 A further criticism of the Strategy has been the lack of approved conversion systems. Field trials have produced problems, such as the equipment falling off whilst going over road humps. Indeed, the implementation timetable was put back by a year partly to allow full trials to take place. For many drivers, this gave credence to the feeling that the strategy was being rushed through, without adequate consideration of the consequences.

Lack of support within the industry

- 5.14 Fundamentally, the strategy has taken a ‘one size fits all’ approach, in a trade that is particularly diverse. There is a perception in areas of the licensed taxi trade that the Emissions Strategy is being implemented by the Mayor to enhance his ‘green credentials’, that it is a tokenistic gesture rather than an effective way of reducing pollution. Therefore, the perception is that the result has been a lack of full consideration of the Strategy’s effects on the licensed taxi trade.
- 5.15 Drivers have said that the vacillation over the Emissions Strategy, combined with the ongoing review of the Conditions of Fitness, have left them feeling uncertain about whether to invest in new or existing vehicles.

- 5.16 The review of the Conditions of Fitness has had to delay announcing its findings due to potential legal action from other vehicle manufacturers wanting the specifications changed. If the Review finds that a wider variety of vehicles could be used as licensed taxis (say if the 25ft turning circle was abolished), then more environmentally friendly vehicles could be purchased at a cheaper price, potentially invalidating the need for the Emissions Strategy.
- 5.17 There is considered to be a lack of understanding at a political level of the particular workings of the licensed taxi trade within TfL, exacerbated by the fact there is no representation at TfL Board level. A TfL Board Member would be able to make representations on behalf of the trade directly to the Mayor, and improve accountability. The London Taxi Board, representing all the major players within the licensed taxi industry was disbanded several years ago, apparently due to in fighting. Unfortunately, this means there is no united body to campaign for common issues of concern for the industry. There has been recent progress in re-forming the Board. However key players such as the LTDA and Transport and General Workers Union have refused to rejoin.

Recommendation 7

That the Mayor consider appointing a representative or observer from the licensed taxi trade to the TfL Board as soon as an appropriate space becomes available.

Recommendation 8

That all the key players within the licensed taxi industry make further efforts to re-form the London Taxi Board.

Private Hire

- 5.18 The private hire or minicab trade is distinct from the licensed taxi trade. Drivers can only work through operators, and vehicles must be pre-booked – it is illegal to ‘ply for hire’ or pick up customers in the street. The PCO were given the huge task of licensing the private hire trade, which includes 2000 operators, 40,000 drivers and 40,000 vehicles.
- 5.19 Though this report does not go into great detail on the issues over the private hire trade and the PCO, it is worth taking an overview of the industry to see how the PCO has dealt with its extra responsibilities.

Current issues

- 5.20 The Licensed Private Hire Car Association (LPHCA) has been lobbying for private hire signage as a way of tackling illegal minicabs and touts. It does not consider the screen disc²⁶ as an adequate identifier, and discs do not include the name of the company. It emphasises specifically that signage on the doors or roof would

²⁶ The identifying sticker which must be displayed on the front and back windscreens of all licensed private hire vehicles

not be appropriate and would probably be taken advantage of by touts. The LPHCA suggest discreet signage on the back of the car, stating the company name and the private hire licence number, in a similar manner to the ones on the back of licensed taxis.

- 5.21 However, most in the licensed taxi trade seem likely to be completely opposed to this. LTN points out: "Private hire vehicles never need to be identified when they are moving. The only moment in time when a private hire vehicle needs to be identified is when picking up a pre-booked customer"
- 5.22 LTN goes on to explain that many members of the public are not aware of the legal distinctions between private hire and licensed taxis, and minicab signage would serve to confuse matters further. Customers may believe that they are able to hail private hire vehicles from the street in the same way as cabs. Signage on minicabs was introduced in Birmingham, but was later removed because of the problems it caused - some drivers were plying for hire on the streets and members of public were unaware that this was illegal, and indeed angry or disappointed when law-abiding drivers refused their custom.
- 5.23 The issue is certainly a complex one, and is about to be consulted on by the PCO. Indeed, many possible changes to private hire regulations are currently being considered. Access to bus lanes is another issue that the private hire industry has been lobbying on. Unlike licensed taxis, private hire do not have access to bus lanes and the industry feels as they are now regulated, it is a disadvantage compared to licensed taxis not to be given equal access.
- 5.24 Certainly, the current situation means that private hire customers do not have the same journey time improvement as licensed taxi passengers do. The PCO has been looking at this issue, but stresses that in many ways it needs to be looked at with a view of what is practical. Therefore, any decision will need to involve other areas within TfL, such as London Buses and the traffic enforcement department.
- 5.25 The private hire industry has been lobbying on a number of other issues about changes to the trade to bring it more in line with the way the licensed taxi trade is regulated. For example, private hire vehicles have a licensing inspection by a PCO approved garage and two MOTs a year, once the vehicle is over 12 months old. The industry feels this is too onerous, and that operators and drivers are spending too much time and money having their vehicles inspected. Private hire vehicle inspections have been outsourced to private garages, but private hire operators and trade organisations point out that there are only four testing stations in the greater London area.
- 5.26 Private hire trade associations and operators have argued for an 'all in one' inspection, as exists in Dublin. A recent change in legislation means that this should be able to be implemented in London, something the PCO is also planning to consult on.
- 5.27 It would be sensible for private hire and licensed taxi inspections to be brought in line with each other to provide a level playing field. The inspection process of both the private hire and licensed taxi industry have advantages which could be cherry picked for an overhaul of the current system. Therefore, licensed taxis would benefit from an outsourced system providing a choice of testing stations and private hire would benefit from an all in one inspection process.

- 5.28 The LPHCA and operators feel that the PCO's licensing requirements have been too stringent and have forced many operators out of business. The length of time to process a licence, and licensing and running costs, are also cited as problems, particularly in recruiting part time drivers.
- 5.29 Private hire operators are concerned that additional regulations being considered or brought in may be detrimental to the industry. One example is the issue of topographical testing for private hire drivers. Operators are concerned as to exactly how this would work in practice as operators work locally and a different test would need to be devised for different areas. Furthermore, it would add additional costs, when drivers and operators are struggling to meet these currently. The PCO needs to provide more details on how testing of this sort would operate and a clear idea of the costs involved.

The illegal minicab trade

- 5.30 One of the most frequently cited concerns has been the illegal minicab trade and 'touting'. Both the PCO and the LPHCA emphasise that the problem exists outside of the regulated private hire industry, rather than with licensed drivers.
- 5.31 The Safer Travel At Night campaign, advertising the dangers of illegal minicabs has reduced numbers of sexual assaults. Minicab-related sexual assaults fell by 34% in the first two years, which is a notable success, given that the nationwide trend has been an upward one. Illegal minicab drivers sexually assaulted an average of 18 women a month. Current figures show that this has now fallen to 10. A new text message scheme, whereby users can receive numbers for local private hire and licensed taxi firms was launched earlier this year.
- 5.32 This public awareness campaign must be run in tandem with a robust crackdown on illegal drivers themselves. This is an area where many have expressed concern. The dedicated TOCU²⁷ unit consists of 31 officers, and many have questioned whether this is enough. One thousand and four cases of touting have been reported by TOCU to the PCO for the period January 2004 to March 2005 but there are no estimates as to the true scale of the problem, so it is hard to put this in context. Both in evidence received by the Committee and in the trade press, sitings of illegal activities seem common.
- 5.33 The main focus of this report is the PCO's interaction with the licensed taxi trade, and the issues in the private hire trade have only briefly been touched on. The Committee would recommend more work to be done in this area, specifically on how well the licensing process has been undertaken, current and potential regulations and prosecution of the illegal minicab trade.

Recommendation 9

That further investigation of the private hire licensing project be undertaken by the Transport Committee, including the effectiveness of the licensing operation, current and potential future regulations in the trade and the success of the operation against the illegal minicab trade.

²⁷ Transport Operational Command Unit – a joint venture between TfL and the Metropolitan Police, with a specially dedicated unit for tackling illegal minicabs

6. Conclusions

- 6.1 The Emissions Strategy and the licensing and regulation of the private hire trade are both fraught with difficulties and the PCO has not always dealt with these issues particularly effectively.
- 6.2 Certainly, both setting and enforcing standards is unusual in a regulatory body. As discussed in chapters 3 and 4, outsourcing operational functions would introduce greater transparency and distance the PCO from some of the day-to-day 'hands on' responsibilities. The PCO could also become more of a facilitator, making recommendations on best practice and taking a pro-active approach to assisting drivers and others in the trade.
- 6.3 The PCO has already taken steps towards this kind of role. It has helped to raise standards, as with the publication of garage performance statistics. The outsourcing of its operational functions would lessen the likelihood of it being seen as 'interfering' in these areas.
- 6.4 The PCO has also helped facilitate work for drivers through initiatives such as marshalled ranks, which should be rolled out further where appropriate. Steps have also been taken to increase student numbers on the Knowledge, by lowering the minimum age to 18, and by issuing a more rationalised Blue Book. The Committee sees these kinds of best practices guidelines as an area in which the PCO can make a particularly positive impact on the trade.
- 6.5 It is vital that the PCO improves its two-way communications with the trade, particularly if it is going to undertake some of the work suggested here. Better provision of information, and clearer and more effective ways of contacting the PCO, will ensure that drivers understand the regulations governing their trade and will promote better relations with the PCO. Drivers and organisations need to feel that they are being listened to and are able to contact the PCO when they have problems.
- 6.6 The Committee feels that now the PCO has taken on responsibility for enforcing policy, a strategic, facilitating role would be more effective than the largely operational function it has had in the past. The PCO has undergone a lot of changes in its responsibilities since 2000, many of them particularly difficult undertakings. This investigation has found that the PCO is not providing as competent a service as it could in some areas, particularly in communications, and needs to restructure itself to reflect better the work it does. Now private hire licensing is business as usual, these changes need to be implemented as soon as possible. Then the PCO can ensure London's world-renowned taxi service has a secure long-term future.

Appendix A – PCO written submission to the Transport Committee

The performance of the Public Carriage Office (PCO) since 2000: PCO response

The inception of Transport for London in July 2000 enabled a unified and integrated approach to be taken to London's transport that for the first time had taxi and private hire services as integral elements of the system. Prior to this, the PCO had been a part of the Metropolitan Police Service whose primary task was the detection and prevention of crime and not transport.

Licensing London taxis and taxi drivers, together with the appointment of taxi ranks were the PCO's *raison d'être* up to July 2000. When TfL was formed, the PCO acquired the additional responsibilities from the Department for Transport for managing the annual review of taxi fares and determining licence fees on behalf of TfL. The TfL Board has the responsibility of setting taxi fares following the annual review.

As a result of the Private Hire Vehicles (London) Act 1998, which received Royal Assent in July 1999, the PCO was also involved from the early stages of the project for introducing a licensing regime for London's private hire operators, drivers and vehicles. The Mayor's general transport duty widened the PCO's remit still further to include integrated, efficient and economic taxi and private hire services in London, in addition to the responsibility for safety of services.

The PCO's remit has widened still further with the Taxi and Private Hire Director's responsibility for developing the Mayor's Safer Travel at Night (StaN) initiative focused primarily on women and aimed at curbing minicab touting. Responsibility for managing TfL's involvement with Taxicard and related supporting services is also assisting with integrating door-to-door services and improving service delivery.

The advent of TfL, together with the PCO's much broader responsibilities, and its remit to introduce and manage private hire licensing, has seen the PCO grow from around 75 staff in 1999 handling about 43,000 licences, to more than 210 staff today managing more than 105,000 licences. This latter figure excludes the 24,000 temporary permits for private hire drivers awaiting full licensing. The PCO's budget, excluding Taxicard and related services, has grown from around £3m to more than £13m.

Against this background of change and development, the responses to the questions posed to Peter Hendy about the performance of the PCO are set out below.

Fare Pricing

Question 1

Please provide statistics for each year since 2000 showing:

- **the number of journeys undertaken**
- **drivers' income**
- **drivers' working hours**

Demand for taxis and private hire is very difficult to estimate. Surveys and research across time and from a number of sources disclose a range of results. For instance, the London Travel Report shows that between 2000 and 2004 there were approximately 0.2 million taxi trips per day. A 2001 Supply and Demand Survey conducted on behalf of TfL/PCO showed that there were approximately 1.4 million private hire trips per week and 1.8 million taxi trips per week.

No research or data has been collected by TfL/PCO on licensed taxi and private hire driver incomes and remuneration. Drivers are not required to reveal this sort of information as it is not relevant for the purposes of licensing. Income is a sensitive issue because all taxi drivers and most private hire drivers are self-employed.

The Taxi and Private Hire Market Share report prepared for TfL/PCO and published in February 2004 collected trip data from taxi and private hire drivers over a two day period. This report showed that on average taxi drivers work just under 40 hours per week and private hire drivers typically work nearly 50 hours per week. The report also revealed that taxi drivers work on average 4.6 days per week with private hire drivers working on average 5.5 days per week. These averages disguise an extremely wide range of working hours and patterns. At one end of the spectrum, there are older drivers using rented vehicles who work only a few hours per week or only occasionally. At the other end, are young owner-drivers who are prepared to work very long hours. There are other categories of driver that prefer to work only during the day, and others who prefer night work.

Question 2

What are the objectives of the PCO's fare pricing policy?

The aim is to make taxi fares simple to understand, predictable, fair and good value, making them as attractive as possible to existing and potential taxi passengers, whilst adequately compensating drivers for their services.

Since 1980 overall fare levels have been set in relation to a cost index that prior to 2000 was maintained by the Department for Transport. The introduction of the cost index in 1980 provided a much needed systematic and consistent method for determining fares that balanced the needs of both passengers and drivers. The index reflects changes in the costs of running a taxi in London and in average national earnings. Using the index ensures that taxi drivers' net earnings, after paying their costs, change each year by the

same percentage as average national earnings. The Mayor has continued to apply the cost index through the annual reviews conducted by the PCO.

The PCO's taxi fare policy is set out in its service charter and vision for licensees and applicants, a copy of which is attached. There is no statutory power to regulate private hire fares.

Question 3

What decisions have been taken over fares and pricing at the PCO since 2000, and on what basis?

The PCO in consultation with the taxi trade and the London Transport Users Committee review taxi fares annually. The TfL Board revised taxi fares with effect from the following dates.

28 April 2001: 5.5% average fare increase.

2 November 2001: evening and night fares increased typically by 25%-30%.

6 July 2002: 4% average increase concentrated on daytime fares.

5 April 2003: 0.8% increase including later start to night fares and consolidation of extra charges for two or more passengers and luggage into basic rates.

3 April 2004: 3.4% increase and a £1 charge for hiring at Heathrow.

2 April 2005: 3.3% increase plus 20p extra for emission control equipment costs.

The November 2001 revision was made to encourage more taxi drivers to operate during unsocial hours (late evenings, nights and at weekends) when demand exceeded supply.

All other revisions were made as part of the annual review to compensate drivers for their increased costs broadly as indicated by the taxi cost index. Some additional adjustments were made in 2002 to fine-tune the November 2001 unsocial hours changes. The consolidation of 'extras' in April 2003 was a means of simplifying the fares structure for the benefit of passengers whilst leaving drivers no better or worse off. The £1 'Heathrow extra' was introduced in April 2004 in recognition of the trade's long standing wish for a contribution from passengers towards the costs incurred by drivers for serving the Heathrow ranks and providing the information and booking desks at the airport terminals.

Question 4

What are the objectives of the PCO's licence fee policy?

Charges for taxi and taxi driver licences were subject to maximum prescribed limits until the Transport Act 1981 introduced changes that enabled the licensing authority to determine charges. Since then, licence fees have been reviewed every year and set to recover the full cost of the PCO's taxi licensing functions. It would be unlawful for the licensing authority to set fees in order to make a profit or surplus.

The Licensed Taxi Drivers Association was refused permission in the High Court to apply for Judicial Review that revised fees introduced on 1 April 2003 were unlawful on the grounds that TfL did not consult on the intended level of fees.

Amendments to Sections 6(5) and 8(8) of the Metropolitan Public Carriage Act 1869 enabled TfL to charge for taxi driver and taxi applications and for licensing application tests and re-tests, as well as charging for driver and vehicle licences. These amendments were introduced by the Greater London Authority Act 1999. Similar provisions to determine application and licence fees for private hire are contained in the Private Hire Vehicles (London) Act 1998.

Proposals for a revised structure for taxi driver and taxi licence fees were put to trade organisations and the London Transport Users Committee last year. The TfL Board approved the proposed licence fee revisions and changes for implementation with effect from 1 April 2005.

The PCO's approach to licence fees is set out in its service charter and vision for licensees and applicants. It reads: "You can expect us to make every effort to make sure that our licence fees and other charges represent value for money. We'll make comparisons with other licensing authorities', and make sure fees received for one licensing activity are not used to pay for another licensing activity." The PCO's comparisons show that licence fees compare favourably with other licensing authorities.

Question 5

What is the cost of a taxi licence fee?

Fees effective from 1 April 2005

Fee	Period		
Taxi driver application		£25	n/a
Taxi driver licence		£224	3 years
Written Knowledge test (All London)		£25	n/a
Taxi driver Knowledge 'appearances' (All London)		£150	One-off
Taxi driver Knowledge 'appearances' (Suburban)		£100	One-off
Taxi application & inspection ^o		£105	n/a
Taxi licence		£35	1 year
Private hire operator application		£637	n/a
Private hire operator licence (Small)		£500	5 years
Private hire operator licence (Standard)		£1,510	5 years
Private hire driver application		£157	n/a
Private hire driver licence		£105	3 years

^o Includes the cost of one free re-inspection.

Private hire vehicle application ^o	£75	n/a
Private hire vehicle licence	£25	1 year

Question 6

How has this changed since 2000?

The PCO's first review of taxi and taxi driver licence fees as part of TfL was in November 2001. They were reviewed again in April 2003. Significant increases were approved on both occasions to cover a wide range of increased costs following static fee levels throughout most of the 1990s, which reflected at least a decade of under-investment in the PCO, its staff and licensing functions. Licence fees rose broadly in line with inflation in April 2004, whilst the overall cost of a taxi driver licence remained unchanged in April 2005 at £249, with a reduction in the overall cost of a taxi licence from £146 to £140.

The changes for taxi and taxi driver fees are shown in Annex 1. Private hire fees are set out in Annex 2.

Question 7

Please provide the PCO's budget since 2000, and for the next three years, including the following types of income and what they are spent on:

- **Total income**
- **Subsidy levels**
- **Licence fee income**

Please see Annex 3.

Policy

Private Hire

Question 8

What effect has the decision to begin regulating and licensing the private hire industry had on the number of:

- **Private hire operators**
- **Private hire vehicles**
- **Private hire drivers**

The Private Hire Vehicles (London) Act 1998, the result of a Private Members Bill, received Royal Assent in July 1999. The principal aim of the Act was to ensure the safety of private hire passengers by licensing operators, drivers, and vehicles. Leading members of the private hire industry had long advocated regulation of the trade in London to bring it into line with the rest of the country.

The PCO, acting on behalf the licensing authority, set about implementing licensing in three interlinked phases starting with operators, followed by drivers and then vehicles. Introducing operator licensing first gave early control because regulations placed requirements upon operators to keep records in respect of trips, drivers and vehicles. The co-operation of the trade was an integral part of the project from the outset to ensure

that the balance was struck between introducing a licensing regime that fulfilled the aims of the Act whilst preserving the industry and providing a regulatory framework within which it could flourish.

Apart from trade consultation, implementation was based on extensive public consultation in respect of operator, driver and vehicle licensing. The original estimate of the number of operators in London was 1,600. At the present time there are approximately 2,300 licensed operators, ranging from the single owner/operator/driver through to local business partnerships and registered plc companies operating vehicles from less than 10 up to the largest operator using more than 1,000 vehicles. The wide spread of services ranges from typical local minicab services, services under contract to local authorities for special needs, and executive and chauffeur contract services for corporate clients. The number of small operators with two vehicles or less is around 40%.

The original estimate for the number of drivers and vehicles operating in London was 40,000 for both. This was based on approximate figures provided by the Department of Transport during the passing of the Private Hire Vehicles (London) Act 1998.

As of 19 August 2005 there were 37,237 licensed vehicles.

To date 21,000 drivers have been licensed. We expect this figure to rise to approximately 38,000 drivers once the final stage of implementation is completed. Experience to date also shows that there is a high level of turnover of drivers with applications from new, first time drivers matching the fall-off rate of existing drivers.

As you can see, these figures are in line with original estimates, and we see no evidence that the decision to begin regulating and licensing the private hire industry has had an effect on vehicle or driver numbers.

Question 9

Please provide details of the original targets and the completion dates for licensing operators and vehicles.

Regulations, together with transitional arrangements, for the licensing of operators, drivers and vehicles came into force, respectively on the following dates.

Operators = 22 January 2001 with the first licences issued in March 2001.
Drivers = 1 April 2003 with first licences issued in July 2003.
Vehicles = 8 March 2004 with first licences issued in April 2004.

Transitional arrangements enabled temporary permits to be issued at the outset of each phase to existing operators, drivers and vehicles that were registered with the PCO so that trading could continue pending full licensing.

The intention was to complete the licensing of existing operators within one year from the month in which the first licence was issued. All but a few operators had been licensed by March 2002.

Similarly, it was always the intention to licence the existing pool of vehicles within one year of the start of licensing. All vehicles for which a temporary permit had been issued had been licensed by April 2005.

The transitional arrangements for driver licensing includes a transitional three-year period to coincide with the life of a driver's licence. This period, which expires in April 2006, was set to enable the PCO to complete the licensing of the existing pool of drivers, and to spread the granting of licences over the period to avoid peaks and troughs during the re-licensing process. It is now expected that licensing will be complete by July/August 2006, which will be about three years from the date on which the first driver licence was issued, thereby fulfilling the intention behind driver licensing implementation.

Each phase (operator, driver and vehicle) of the implementation project had a number of provisional dates for the start of licensing. These dates, based on working assumptions to take forward each phase, were revised from time to time to take account of factors emerging from extensive public and trade consultation and experience gained by the PCO's project team. Initial target were, inevitably, based on assumptions about the then unregulated trade.

Question 10

What is the target completion date for driver licensing?

The date is July/August 2006. Please see Question 9.

Question 11

Do you think any new requirements will be introduced for private hire in the next few years? Will there be quality service improvements?

Operator, driver and vehicle licensing were each subject to two rounds of extensive public and trade consultation before regulations were introduced. Experience of licensing has not revealed the need for further regulatory requirements in the sense that further or new restrictions on the trade are necessary. Experience has shown, however, that a number of aspects, set out below, require re-visiting and further consideration. (Please also see the response to Question 28).

- The implications of allowing private hire to use bus lanes and to pick up and set down on red routes are being considered.
- A review is underway of several areas of the DVLA Group 2 medical guidelines (for both taxi and private hire drivers), specifically in relation to eyesight standards, coronary conditions and insulin dependency (diabetes).
- Topographical skills training/testing for private hire drivers will be introduced by April 2006 in accordance with statutory duty.
- Pre-licensing disability awareness/customer care training for both taxi and private hire driver applicants is under consideration.
- An extension of the transitional period for private hire driver licensing beyond April 2006 so that the PCO can continue to issue temporary permits to applicants to enable them to work as private hire drivers pending full licensing is under consideration.
- The present requirement for private hire vehicles to be MOT certified is under review together with the option of bringing licensing arrangements into line with those for taxis whereby vehicles are exempt from the MOT process and subjected to a full mechanical licensing inspection under the auspices of the licensing authority.
- Signage and advertising regulations for private hire vehicles is under review.
- The criteria and 'exceptional circumstances' for exempting motorcycles from the requirements of private hire vehicle licensing are being examined.

Taxis

Question 12

How many taxis are currently meeting Euro 3 standard?

4,797 (as of 1 September 2005).

Question 13

How many taxis are NOT currently meeting Euro 3 standard?

16,095 (as of 1 September 2005).

Question 14

How many cabs will have been converted to meet the Euro 3 standards by 2008?

All taxis should, at the very least, meet the Euro 3 standard by 2008. The policy is that no vehicle will be licensed after 30 June 2008 unless it is of Euro 3 emission level or better.

This can be achieved in a number of ways. A below standard vehicle might be replaced with a vehicle that is at least Euro 3 standard compliant. A vehicle might undergo an approved alternative fuel conversion (e.g. Liquid Petroleum Gas (LPG) conversion) or be re-engined, to Euro 3 standard or better. Another option is for a vehicle to have approved emissions reduction equipment fitted. All new vehicles must now be Euro 3 and, from the beginning of 2007, will have to be Euro 4. It is projected that natural wastage will result in nearly all pre-euro taxis being off the road by the end of 2008.

Question 15

What are the projections for the number of taxis meeting Euro 3 standards by 2008 without the introduction of the Low Emission Zone?

Please see question 14. The Low Emission Zone (LEZ) and the taxi emissions strategy are complementary but not directly connected. The latter derives from the Mayor's Air Quality Strategy.

Question 16

Why has the taxi emissions strategy timetable been set back after the initial dates?

Trade associations and individuals generally supported the principle of a strategy but discussions on the practical implications showed that further consideration was necessary in respect of timescales, the range of options available, and the time needed for worthwhile field trials. The feedback obtained from exhibitors and attendees at the PCO's Emissions Technology Fair in February 2005 was also valuable in confirming the need to reconsider some practical aspects of implementation.

Question 17

What were the projections for numbers of taxis having to convert on the original timetable?

There were 19,600 taxis that were not Euro 3 compliant at the time that the PCO started to discuss an emissions strategy with the trade in support of the Mayor's air quality strategy.

It should be noted that the current strategy is the result of more than two years consultation that considered a number of options different to the current requirements. The figure of 19,600 is derived by applying the current strategy requirements retrospectively to the taxi fleet as it was in 2002.

Question 18

What benefits will the delay bring to the trade and to the establishment of the Low Emission Zone?

More time for individual taxi owners and fleet owners to plan their respective vehicle enhancement and/or replacement programme.

Drivers will have had the benefit of the 20 pence environmental charge per journey for at least fourteen months to help with the purchase of emissions equipment or vehicle enhancement/replacement.

Development and availability of more technology that meets the requirements of the emission strategy.

Question 19

What are the criteria for approving the variety of emissions technologies?

Any technology would be independently assessed by the Energy Saving Trust and tested at an establishment such as Millbrook Proving Ground to ascertain if equipment is able to demonstrate the environmental performance of the system against current Euro 3 legislative emission test requirements with specific attention to No_x and PM_{10} .

Systems then have to complete a six-month 'in-service' durability trial after which it would be further tested to ensure no degradation of emissions performance. Only then would the specific vehicles be tested by the PCO to ensure that for licensing purposes they complied with the PCO's vehicle conditions of fitness and were fit for public use.

Question 20

What are the costs for each of the different kinds of technologies?

Costs of different technologies and systems have yet to be quantified, but suppliers of certain retrofit systems have indicated that costs could be somewhere between £2,500 and £3,000. LPG conversions cost considerably more.

Question 21

What other options apart from the 20p charge were considered for raising revenue for the emissions technology?

Consideration was given to the following alternatives.

- Ring-fenced monies from the Department for Transport and the Energy Saving Trust.
- Greater London Authority funding.

In the event neither DfT/EST nor GLA funding were available, and so an environmental charge on taxi fares was the only other practical alternative.

Question 22

How long will it take on average for drivers to cover the cost of the conversion systems with the 20p environmental charge?

In the region of three years assuming that the costs will be somewhere between £2,500 - £3,000. This is based on an average number of taxi trips per year of 4,000. The duration of the environmental charge will kept under review.

Question 23

What is the PCO's assessment of the impact of the 20p charge on demand for taxis?

Whilst it has not been possible to measure the impact on demand directly, the inference to be drawn from the absence of an adverse reaction from the media and the public about the environmental charge is that it has had little or no impact on demand.

Question 24

Please provide a breakdown of complaints received by the PCO from the public by category for each year since 2000

January 2000 – December 2000

Driver misbehaviour	=	355
Refusal to accept hiring	=	378
Devious route	=	79
Overcharging	=	61
Lack of knowledge	=	15
Condition of taxi	=	14
Total	=	902

January 2001 – December 2001

Driver misbehaviour	=	587
Refusal to accept hiring	=	349
Devious route	=	79
Overcharging	=	93
Lack of knowledge	=	31
Condition of taxi	=	16
Total	=	1,155

January 2002 – December 2002

Driver misbehaviour	=	549
Refusal to accept hiring	=	250
Devious route	=	87
Overcharging	=	78
Lack of knowledge	=	42
Condition of taxi	=	36
Total	=	1,042

January 2003 – December 2003

Driver misbehaviour	=	695
Refusal to accept hiring	=	237
Devious route	=	68
Overcharging	=	57
Lack of knowledge	=	31
Condition of taxi	=	56
Total	=	1,144

January 2004 – December 2004		
Driver misbehaviour	=	795
Refusal to accept hiring	=	282
Devious route	=	102
Overcharging	=	43
Lack of knowledge	=	26
Condition of taxi	=	61
Total	=	1,309

January 2005 – June 2005		
Driver misbehaviour	=	365
Refusal to accept hiring	=	168
Devious route	=	41
Overcharging	=	35
Lack of knowledge	=	17
Condition of taxi	=	26
Total	=	652

Question 25

How does the PCO ensure that garage inspectors follow consistent standards?

The PCO has no remit or authority to inspect garages that overhaul/service taxis. The PCO is only responsible for inspecting vehicles that are already licensed or vehicles submitted for licensing. As far as these types of licensing inspections are concerned, the principal means by which the PCO achieves consistent standards are set out below.

- All public carriage examiners are experienced and qualified motor vehicle engineers.
- There is a six-month 'on the job' induction training and familiarisation course for all new entrants with each new entrant assigned to an experienced vehicle examiner as a mentor, with all induction training supervised by a training manager.
- There is an inspection manual that details every element of a vehicle inspection.
- There is first line direct supervision of taxi licensing inspections at all times that includes regular quality control checks and dip sampling of taxi inspections by senior vehicle examiners.

Question 26

Is there a direct relationship between the demand for taxis and the demand for private hire?

The PCO is unaware of any direct relationship or evidence to show that either trade is especially sensitive to changes or fluctuations in each other's supply and demand. It appears that there is not much of a market overlap. In the broadest of terms, historically, most taxi hirings are in central London and spread out over the day with suburban work concentrated at station ranks. In contrast, private hire operates mainly in the suburbs with the majority of its work in the evenings and at weekends. Competition, however, is

probably at its sharpest between large private hire companies and the taxi radio circuits for pre-booked corporate business.

Question 27

**What challenges face the taxi and private hire trades over the next few years?
How does the PCO plan to deal with these?**

Please see question 28. The response includes issues and concerns that have emerged through discussions and consultation with the taxi and private hire trades.

Question 28

Please provide details of your service improvement plan for the next three years.

The main issues and activities identified over the next three years are listed below.

Licensed private hire operators

- Prepare for the start of the first re-licensing process in March 2006. To assist with this a 'health check' review of the operator licensing arrangements is underway with a planned completion date of November 2005. TfL's Surface Transport, Strategy and Business Development are undertaking the review on behalf of the PCO.
- Continue to develop and implement enforcement strategies against touts and illegal operators in partnership with the Transport Operational Command Unit.
- Consider private hire access to bus lanes and pick up and set down on red routes.

Licensed taxi and private hire drivers

- The accreditation of the taxi Knowledge of London training and testing process is being actively considered and pursued.
- A review is underway of several areas of the DVLA Group 2 medical guidelines, specifically in relation to eyesight standards, heart problems and insulin dependency.
- The PCO is very keen to encourage applications to be licensed drivers from all groups within London. A poster campaign aimed at women and ethnic minority groups has been launched together with website career information and revised literature. The recently revised 'How to become a licensed taxi or private hire driver' booklet is attached for information. Other initiatives are being explored and will be developed in the light of the outcome of this initiative to encourage and help women and minority groups enter the licensed trades.
- Implement topographical skills training for private hire drivers by April 2006 in accordance with statutory duty.
- Introduce pre-licensing disability awareness and customer care training.
- Manage implications of the Disability Rights Commission's Code of Practice of new duties for the taxi and private hire trades under the Disability Discrimination Act 2005.
- Consider an extension of the transitional period for private hire driver licensing beyond April 2006 so that the PCO can continue to issue temporary permits to applicants to enable them to work as private hire drivers pending full licensing.

Licensed taxi and private hire vehicles

- Implement emissions strategy for taxis – Euro III compliant or better.
 - Phase 1 - July 2006
 - Phase 2 – July 2007
 - Complete – June 2008
- Complete the review of the taxi Conditions of Fitness and implement any agreed recommendations.

- Complete the Best Value Review (BVR) of the PCO taxi licensing inspection service and implement agreed recommendations.
- Review taxi and private hire vehicle licensing standards and frequency and implement agreed recommendations.
- Review signage and advertising regulations on private hire vehicles and implement agreed changes.
- Agree criteria and 'exceptional circumstances' for exempting motorcycles from the requirements of private hire vehicle licensing and implement decisions.

Pedicabs/auto-rickshaws etc

- Introduce registration process for pedicabs based on provisions within the London Local Authorities and TfL Bill, and consider implementation of a full licensing regime. Development work is underway with implementation subject to legislative change and decision.
- Continue to consider applications for other types of vehicles to be licensed as private hire vehicles, e.g. mechanised and powered vehicles of various designs and descriptions.

PCO customer service and business developments

- Progress and phase introduction of web-based licensing and information services, including telephone, on-line and email services for applicants and licensees.
- Progress and introduce permanent solution to the provision of on-line travel information about private hire services and licensed operators together with text messaging services.
- Progress and introduce fully automated data transfer between the PCO licensing system and internal TfL and external third parties (e.g. Congestion Charging Unit, Criminal Records Bureau).
- Undertake migration of taxi driver licensing data to integrated taxi driver and private hire driver licensing computer system.
- Progress and introduce remote data access for PCO staff.
- Complete PCO management restructuring to better reflect the distinction between service delivery and the standards/regulation functions now that private hire licensing is business as usual and no longer a project.

Safer Travel at Night (StaN)

- Building public awareness about late night travel safety.
- Developing and implementing enforcement strategies against touts.
- Widening the reach of StaN.

Communication

Question 29

How effective are communications between the PCO and the taxi and private hire trades?

Communication is generally good. Working relationships are also good with positive and effective reciprocal communication on both sides on most issues both large and small. Please see question 31.

Question 30

What methods do you use? How often do you meet with trade associations and unions?

Set out below is a summary of the type, range and scope of communication arrangements.

Communication

- Occasional letters from the Mayor, Taxi and Private Hire Director, and Head of the PCO about topical licensing and regulatory matters issued to applicants, drivers, vehicle owners, and operators.
- Regular PCO Notices published in the taxi and private hire trade press about topical licensing and regulatory issues.
- PCO written responses to correspondence about licensing and regulatory issues.
- Regular formal and informal meetings with taxi and private hire trade representatives; collectively and individually.
- Trade representatives have ad-hoc contact with appropriate PCO senior management on individual matters or cases.
- Open days at the PCO and exhibitions including stands at trade fairs etc.
- Licensing and regulatory information literature.

Recent and current consultation and discussion topics:

- Private Hire licensing implementation.
- Taxi emissions strategy.
- Taxi Conditions of Fitness Review.
- Arrangements for taxi and private hire and other stakeholder consultation.
- Pedicabs.
- Arrangements and criteria for assessing health and fitness of taxi and private hire drivers and applicants.
- Taxi suburban drivers/review of ranks.
- Taxi access to bus lanes policy.
- Taxi ranks (regular and continuous).
- Enforcement/touts (regular and continuous).
- Knowledge of London testing and examination arrangements.
- Taxi fares (annual)
- Taxi licence fee restructuring.
- Taxi Sharing schemes.
- Private hire vehicle access to bus lanes and picking up and setting down on red routes.
- Topographical skills testing for private hire drivers.
- Advertising/signage on private hire vehicles.

Types of consultation and discussion arrangements:

- Topic specific written consultation.
- Periodic topic specific meetings.
- General and regular meetings with taxi and private hire trade representatives.
- Periodic meetings with London Taxi Board and London's Taxi Network.
- Monthly meetings with London Cab Ranks Committee.
- Regular meetings with Licensed Taxi Drivers Association and T&G representatives on bus lanes and other road priority issues.
- Regular PCO/Mayor's adviser meeting with taxi trade representatives.
- Regular PCO/Mayor's adviser meetings with private hire trade representatives.

Question 31

If there are problems, how can communications be improved?

The PCO does not consider that in general there are significant communication issues with either the taxi or private hire trades in terms of our direct dealings with them over licensing and regulatory issues.

Responses to questions 29 and 30 show that there are a variety of ways and varied means both formal and informal of speaking to and with both trades about licensing and regulatory issues and concerns. The nature of the relationship means that strains are inevitable from time to time as both sides attempt to work through difficult and sometimes complex issues. Relations with individual trade representatives inevitably vary, and it is also the case that the PCO is required to attempt to reconcile conflicting points of view within each of the trades and between the trades themselves. Personal relationships within and between the trades are not always harmonious and this too impacts on the PCO's ability to communicate effectively and efficiently. Nevertheless, the PCO has always been keen to foster good working relations with trade representatives as these are essential to ensure that appropriate discussion and consultation is had on all issues of substance that affect taxi and private hire licensing and regulation.

Nevertheless we acknowledge that more can be done to make information from the PCO more accessible to the taxi and hire trade. For example the lack of web and email based services is one area we identified as hindering the accessibility of information. The PCO has for some time had detailed plans for implementing and managing an interactive website to improve and enhance the delivery of its licensing and information services. Work on these enhancements has been deferred to enable the transfer of the PCO's IM/IT services from its existing service provider to TfL's corporate IM/IT service providers. This transfer is in itself a complex and time-consuming project, and little progress on improving the PCO's own services to licensees and applicants through technology can take place until the transfer is complete and adequate support systems are in place. Consideration is also being given to developing a regular newsletter to update the PCO's customers on licensing and regulatory matters.

Communication with the trade Press is now formalised as being through the TfL Press Office. The temporary lack of Press Officers dedicated to PCO issues may have resulted in trade journalists having greater difficulty than hitherto in accessing information. PCO personnel continue to assist trade journalists as far as they are able within the confines of TfL policy.

Comments and suggestions would be welcome on ways and means of improving consultation and communication arrangements.

NB. Annexes referred to in the PCO submission are available on request.

Appendix B – List of Evidence submitted to the Committee

The Committee would like to thank all those organisations and individuals who took the time to contact the Committee and submit their evidence to the scrutiny.

If you wish to obtain a copy of any of the evidence listed please get touch with Bonnie Jones via e-mail at bonnie.jones@london.gov.uk .

Written Submissions

The PCO
The Mayor
London Cab Drivers Club
London Motor Cab Proprietors Association
Kingston and Surbiton Licensed Taxi Drivers
London Suburban Taxi-drivers Coalition
Computer Cab plc
Richmond Road Cab Centre
London Taxi Network
London Taxi Board
London Taxis International
Licensed Private Hire Car Association
Addison Lee
Correspondence from individual drivers

Meetings

Roy Ellis and Ed Thompson (**PCO**) and Kevin Austin (**GLA Transport Team**)
Ivan Kovler and Eddie Crossley (**London Motor Cab Proprietors Association**) and Alan Fleming (**London Cab Drivers Club**)
Geoffrey Riesel and Brian Rice (**London's Taxi Network**)
Steve Wright (**Licensed Private Hire Car Association**) and Liam Griffin (**Addison Lee**)

Appendix C – Orders and Translations

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