



Safer and stronger communities

Taxi and Private Hire Vehicles licensing

Councillors' handbook (England and Wales)

Foreword



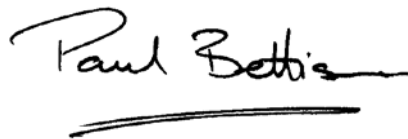
Taxis and Private Hire Vehicles (PHVs) are an important mode of local transport. They are of

particular importance in areas that have limited public transport, such as in rural communities. Local councils have the responsibility to provide a robust taxi and PHV licensing system, which ensures the public travel safely, receive a good level of service and drivers are not overly burdened by unnecessary conditions.

Elderly and disabled users regularly rely on the door to door service taxis and PHVs provide, as it is often the only way for many residents to access local services. Drivers are often the first point of contact to visitors from outside your local council area, and people remember when they have had a particularly good service from a driver, which can impact

on the reputation of an area. Taxis and PHVs also have an important role in the night time economy, ensuring the public return home safely. LG Regulation supports taxi licensing for all councils in England and Wales outside London.

This informative handbook has been developed to help you as a councillor, understand some of the key issues concerning taxi and PHV licensing. It is intended to be used as a starting point to explain some of the difficulties that can arise in this complex area of business regulation. We hope you find it useful.



Councillor Paul Bettison
Chairman, Local Government
Regulation

Checklist for councillors in England and Wales

This list is intended to help you gauge your council's effectiveness in providing a competent taxi and PHV licensing service.

The answers should help you determine the quality of the service your council delivers, and whether changes to policy should be made.

- Do your taxi licensing officers have a regular dialogue with neighbouring councils, with a view to adopting consistent standards, developing a common approach and to share relevant information?
- Does your council have a multi agency enforcement programme with the police, Vehicle and Operator Services Agency (VOSA) and neighbouring councils? Such operations help ensure the public remain safe.
- Does your council have adequate numbers of accessible taxis – to ensure people who are vulnerable in society such as disabled users can utilise the service?
- Does your council have effective consultation methods with taxi and PHV representatives and taxi users? Many councils have taxi liaison forums which meet on a regular basis.
- Are vehicles subject to agreed and routine stringent testing to ensure they are mechanically safe and suitable to transport the public?
- Does your council license stretched limousines under eight passenger seats? Many are operating unlicensed and unchecked as some councils refuse to license such vehicles.
- Does your council have a taxi and PHV licensing policy document, which has been subject to regular review and has regard to the Department for Transport's Best Practice Guidance (last issued March

- 2010) and has been consulted on with the trade and user groups?
- Are drivers assessed against agreed and appropriate standards to ensure they are “fit and proper” and entitled to hold a licence? Many councils require applicants to undertake group 2 medical checks, enhanced Criminal Record Bureau (CRB) checks and local knowledge tests before they are licensed to carry the public.
 - Do you have sufficient information and understanding to challenge or defend your council’s taxi and PHV licensing activity in the context of an overview and scrutiny committee?

Terminology

Taxis are referred to in legislation, regulation and common language as ‘hackney carriages’, ‘black cabs’ and ‘cabs’. The term taxi is used throughout this handbook and refers to all such vehicles

Private hire vehicles (PHVs) include a range of vehicles including minicabs, executive cars, limousines and chauffeur services. The term PHV is used throughout this handbook to refer to all such vehicles.

Councils are only responsible for the licensing of vehicles which carry up to a maximum of eight passengers. Vehicles with a seating capacity of more than eight passenger seats, which can include some stretched limousines, are licensed by the Traffic Commissioners, who are appointed by the Transport Secretary.

Statistics, Department for Transport (DfT)

- In England and Wales, there were around 73,000 taxis and 132,000 PHVs licensed as at the end of March 2007.
- In Wales, over 4,000 taxis and a further 4,000 PHVs were licensed.
- Taxis and PHVs together account for just over 1 per cent of all trip stages per person per year in Great Britain. This is about 600 million trip stages or around 3 million miles a year.



Did you know?

The primary piece of legislation for licensing taxis is the Town and Police Clauses Act 1847 – which was written before the internal combustion engine was invented.

Taxi and PHV licensing in England and Wales - introduction

Legislation

Taxi and Private Hire Vehicle legislation is primarily concentrated in the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976. The legislation provides a broad framework for the licensing of drivers, vehicles and operators but the detail of how this is done, including standards and conditions is the responsibility of individual councils. There are a number of other Acts which also have an impact however, such as the Equalities Act 2010 which enables regulations to improve disabled access to taxis.

Taxi and PHV licensing in England and Wales is undertaken by district and unitary councils which have the responsibility for ensuring the public travel in safe, well maintained vehicles driven by competent drivers, as well as providing a fair and reasonable service for the taxi and PHV trade.

In London taxi and PHV licensing is the responsibility of Transport for London, which is accountable to the Mayor of London and responsible for delivering the Mayor's Transport Strategy. Local councils in London have no direct role in licensing taxis and PHVs.

Differences - Taxi/PHV

One of the key differences between the vehicles is that a PHV, unlike a taxi, cannot ply for hire, which means that all journeys must be pre-booked in advance through a licensed operator. It is an offence for PHVs to pick up passengers from any location unless pre-booked. Local councils can, if they wish, also regulate the fares charged by taxis whereas there is no power to do so with PHVs.

Department for Transport's role (DfT)

DfT's role is that of regulatory ownership and maintenance of the regulatory framework for taxis and private hire vehicles. The DfT provide guidance to local councils as to how to discharge their duties under the regulatory framework. The Department

collects and publishes statistics on a regular basis and produces guidance to assist local councils in carrying out their taxi and PHV licensing functions. The guidance is considered to be 'best practice' and addresses a number of issues where inconsistency of approach exists in taxi and private hire licensing in England and Wales.

	Taxi	Private Hire
Ply for hire	✓	X
Pre-booked	✓	✓
Operating from a rank	✓	X
Fare meter required	✓	X
Fare tariff set by council	✓	X
Number of vehicles may be restricted by councils	✓	X

Types of licence	
Taxis require two types of licence:	<ul style="list-style-type: none"> • Hackney Carriage Proprietors (Vehicle) Licence • Hackney Carriage Drivers Licence
The provision of a private hire service requires three types of licence	<ul style="list-style-type: none"> • Private Hire Operators Licence • Private Vehicle Licence • Private Hire Drivers Licence

Service delivery

Taxi and private hire licensing may be undertaken within a single department but usually sits within one of the council's regulatory services such as environmental health or legal services. It is often also combined with other licensing functions.

Local councils have the power to attach conditions to taxis and PHVs and PHV drivers' licences. Many councils also adopt local byelaws to attach conditions to taxi drivers' licences. Over time this has created differing standards with little coordination within regions and nationally. This has led to confusion for taxi and PHV businesses, differing standards of service for disabled persons and stretched limousines operating unregulated.

This lack of coordination has also meant that a range of licensing policies have developed from quite relaxed to very strict. This creates an administrative burden on local councils and confusion and unfairness on businesses.

An additional problem of cross border hiring has also developed, where a hackney carriage operates as a PHV in another district and the local council has no powers to intervene if the driver contravenes any condition of the licence. It is also unfair on the trade in the area as they face competition from drivers who may have paid cheaper licence fees or undergone less rigorous checks.

Did you know?

Local councils have the power to set conditions on PHV driver and vehicle and taxi vehicle licences – this is why taxis fleets often have different colour schemes, and taxi fares vary.

Charging

In providing the licensing function, the council, under the provisions of the Local Government (Miscellaneous Provisions) Act 1976 is entitled to levy fees to recover the reasonable cost associated with:

- the administration and issue of licences
- the inspection of vehicles for the purposes of determining whether any such licence should be granted or renewed and
- the provision of hackney carriage stands and administrative or other costs in connection with the control and supervision of hackney carriage and private hire vehicles.

With the exception of drivers' licences, the council is required to consult upon the fees it intends to levy.



Councillors and the council's regulatory/licensing committee

Councils will usually operate with a regulatory/licensing committee, which may be made up of non executive/cabinet councillors and sub-committees made up of councillors of the full committee.

The role of the full committee is to consider and propose policy, including setting the overall approach of the council, conditions and standards for vehicles and drivers and the setting of fare tariffs for taxis.

Decision making in respect of individual applications for licences or where matters are brought to the attention of the council following the grant of a licence, for example breach of conditions, convictions, driving endorsements etc are often made by a regulatory/licensing sub-committee. This sits as a quasi-judicial body and therefore must follow the rules of natural justice – anyone affected by a decision has a right to be heard and no one should be a judge in his own cause. Sub-committees often

have a range of options available to them including:

- to do nothing
- to issue a formal warning
- to suspend a licence
- to revoke a licence.

Decision making may also be delegated to officers. Applicants seeking new licences and the holders of existing licences will have the right of appeal to the local magistrates' or crown court if they are aggrieved by the decision of the council. In all cases where a licence is suspended or revoked, reasons must be given for that decision. Drivers must reach the standard of a 'fit and proper person' with each case being dealt with on its merits, normally with reference to an objective policy published by the council. The overriding consideration is the safety of the public which may, in some cases outweigh the right of the applicant to hold or continue to hold a licence.

Rother – penalty points enforcement system

When taxi and PHV drivers contravene conditions of their licence the statutory sanctions available to members of taxi licensing committees are revocation or suspension of the licence. For minor infringements, such as not displaying a name badge at all times revocation or suspension can be too harsh a punishment. Drivers who make an error in judgment on any given day, with a previous unblemished career, face all or nothing decisions by members if they are reported to committee following a complaint from a member of the public.

Also when drivers are licensed there is little information available for members to monitor the fit and properness of a driver, and as such gain a clear view of their past conduct when drivers are called to committee for hearings.

In light of this Rother District Council decided to develop a penalty points enforcement

scheme, where drivers can carry a fixed number of points for minor matters of misconduct that would allow the driver to continue driving until such time as they either reached the level set by members, or if officers decided that the nature of the complaint against a driver was too serious to deal with under the scheme.

Rother found that on the whole the trade agreed that the process leads to improvements in behaviour. The trade appreciated that the scheme is transparent and clear, and removes any ambiguity about whether officers or members felt that a matter was serious, when the driver thought it was very minor.

The scheme gives councillors a more influential role in the licensing process, and it allows drivers to understand that members make the decisions on fitness and propriety and not officers.

Many other councils have introduced similar schemes and there has been a noticeable raising of standards of behaviour and compliance.

Case studies

The case studies on the following pages provide practical examples where local councils have undertaken initiatives to ensure safeguards are in place to protect the public when travelling by taxi or PHV.

Partnership working

Effective partnership working between local licensing authorities, the Vehicle and Operator Services Agency (VOSA), police and other council services such as trading standards and environmental health as well as the local trade is vital to the delivery of positive outcomes for people and places.

As a councillor, you are well placed to shape and influence how this crucial relationship between your council and other bodies works and develops. There are many areas across England and Wales where these partnerships are working well,

dealing with some of the problem areas which have arisen from outdated legislation.

Quantity restrictions

Quantity restriction is a term used to describe a local council imposing limits to the number of taxi licences within the area. This is often seen as a controversial issue as in those areas that continue to restrict the taxi trade are often strong advocates of keeping a “restricted fleet”. Currently only 88 councils in England and Wales continue to restrict the taxi trade. LG Regulation believes that the decision to restrict taxis should be left to the local council, but suggests that councils consider the DfT’s view.

‘Most local licensing authorities do not impose quantity restrictions; the Department regards that as best practice. Where restrictions are imposed, the Department would urge that the matter should be regularly reconsidered.’

Taxi and Private Hire Vehicle Licensing: Best Practice Guidance
(Department for Transport, 2010,
<http://www.dft.gov.uk/pgr/regional/taxis/bestpractice/>)

Stockport – restricting the number of taxis

Local councils which limit the number of taxis within their fleets should regularly produce an “unmet demand survey”. The survey reviews the consumer demand for taxis and considers factors such as the length of time customers wait at ranks and waiting times for street hailings and telephone bookings.

In 2008 Stockport Metropolitan Borough Council carried out an unmet demand and public opinion survey, which indicated that there was no significant unmet demand. Stockport Licensing Committee agreed to maintain a limit on the number of taxis currently licensed by the authority. To ensure this was a balanced decision Stockport

considered the guidance issued by the DfT in relation to maintaining limits and various consumer reports which indicate that a general increase in the number of taxis is beneficial for consumers. Whilst maintaining a limit the Committee also agreed to increase that limit by five licences per year over the next three years.

They further committed to reviewing current rank facilities including creating new ranks, particularly night time ranks in busy areas, and also allowing access by taxis to prohibited routes through the town. Looking ahead Stockport have agreed to monitor the effect of the increase in licences and change in taxi provision and to review the situation in 2011.

Salford – Lifting quantity restrictions

Salford City Council previously had a policy of limiting taxi licence numbers. An unmet demand survey had been carried out in 2004 which recommended an increase in the issue of one licence which brought the total number of taxis in Salford to 79. If the council wished to retain this limit, an additional unmet demand survey would have been required in 2007 costing the council additional resources. It was recognised that a complete review of taxi and private hire licensing functions was required.

The decision to delimit was based on a number of factors:

- (i) The 2003 Office of Fair Trading (OFT) market study into the 'The Regulation of Licensed Taxi and Private Hire Services in the UK' and the Department for Transport Taxi and Private Hire Best Practice Guidance' which called for the removal of quantity restrictions;
- (ii) The National Consumer

Council campaign which also called for the removal of quantity restrictions;

- (iii) Representations from certain members of the taxi and private hire trades that the wheelchair users were unable to hire taxis at certain times of the day or in certain areas of the City;
- (iv) Feedback following consultation with the public, business community, wheelchair users, elected members and the taxi trade as to taxi availability.

Following adoption of the policy to delimit taxi numbers an interim injunction was served on the Council, on behalf of two taxi proprietors who operated a total of 18 vehicles preventing implementation of the policy, pending a judicial review.

The case was heard in the High Court where the judge ruled that none of the grounds put forward by the claimants were properly arguable for the purpose of judicial review and the council was awarded its costs in full.

Enforcement – What your council should be doing

When council officers undertake enforcement activities it is considered good practice to join up these operations with the police as taxi licensing officers do not have powers to stop and search vehicles. It may be advisable for council taxi licensing officers to meet with their local police force and explain their role and develop good relationships.

It is also seen as good practice to carry out joint enforcement operations with the VOSA which license vehicles over 8 passenger seats (such as stretched limousines). By joining up

operations with the local council, unlicensed limousines which can be dangerous for the public, can be stopped and taken off the roads.

Other service areas within councils assist taxi and PHV licensing officers implement and enforce legislation affecting taxis and PHVs. For example trading standards officers checking taxi meters and environmental health officers issuing fixed penalty notices to drivers illegally smoking in their vehicles.



Blaenau Gwent – Joint operations

Blaenau Gwent Council's licensing team coordinated roadside checks on taxis and PHVs to make sure Blaenau Gwent pupils travelled to school safely.

On the morning of the school run the council's licensing team, officers from the Council's school transport division and technical experts from VOSA checked 16 buses and eight taxis.

The school run checks were followed up with detailed safety inspections that resulted in one notice and a number of warnings:

- one deferred prohibition notice was issued for a defect. The company was told to carry out the repairs within a time period

- four drivers were given advice regarding minor defects
- six warnings were given for not wearing seatbelts
- four enquiries were made by Blaenau Gwent Council's education division about school contracts operating logistics.

Chair of Blaenau Gwent Council's Licensing Committee, Councillor Jim Watkins said:

"We are committed to maintaining and improving the standards of the home to school transport service provided by independent operators and those contracted to us. Our regular check ups are important. We have to thank our partners in Gwent police and VOSA, and the operators as well, for their cooperation."

Did you know?

Taxis and PHVs are commonly used by younger people and by those on lower incomes who do not have access to a household car.

Luton – smoke free

Following the introduction of the Health Act 2006 smoking was banned in all public places and had implications on taxi and PHV drivers and their customers.

Luton Borough Council recognised that licensed drivers did not understand the implications and how this would affect them. The licensing service together with environmental health and trading standards services within the council set about devising an awareness scheme for licensed drivers.

A separate campaign was devised and leaflets were produced highlighting the issues relating to transporting members of the public which were sent to all drivers, vehicle owners and operators.

The Licensing Service also produced compliant signage for the licensed vehicles and officers undertook 845 inspections of vehicles where signage was issued during July 2007. Several specific advice sessions were advertised for a range of days and times to allow for the different

shifts where drivers could drop in and get advice and signage.

Over the next 12 months up until August 2008, vehicles were checked and if found to be non-compliant then signage was issued and drivers were given a warning about allowing smoking in a licensed vehicle.

From September 2008 any driver found to be smoking in a vehicle was then issued a Fixed Penalty Notice (FPN). 35 FPNs were issued to licensed drivers over a period of 12 months. As this was a significant number of all FPNs issued, the issue of the driver's health was raised and the Service decided to trial a smoking cessation scheme in collaboration with environmental health and the local NHS. Drivers found to be smoking were given the option of attending a smoking cessation session to help to support them giving up smoking or receive the normal FPN. This combined approach in Luton has seen a marked reduction in drivers found to be smoking in licensed vehicles.

Taxi drivers overcharging

One problem that the City of Cardiff licensing service frequently encounters is taxi drivers overcharging. This is especially common during sports events held at the Millennium Stadium when the demand by visitors for public transport is exacerbated by the shortage of rank space in the City.

One method of tackling the problem has been by setting up multi agency test purchase operations. During an Italy v Wales rugby game licensing and police officers dressed in rugby shirts to blend in with other supporters. One of Cardiff's licensing officers who was Italian and suitably clad in an Italian rugby shirt was accompanied by a plain clothed policeman,

approached taxis and asked how much it would be to a set destination a £5 fare away.

If the driver said it would be "on the meter" the officers made their excuses and left. If the driver demanded a greater fare the hiring was accepted. At the destination the officer paid the fare and obtained a receipt and then acted surprised when licensing enforcement officers, who had been stationed there, approached the driver to take details and issued cautions for over charging and failing to use the meter. Two taxi drivers were reported during this operation and both appeared in Cardiff magistrates court where they entered guilty pleas and were fined £80 for failing to use the meter, £120 for over charging and £60 for costs.

Did you know?

Women aged 16-20 make the greatest number of trip stages in taxis and PHVs.

Stretched limousines

Many of these vehicles were built in America and do not comply with British requirements for a vehicle of this passenger capacity.

Limousines with up to eight passenger seats: these vehicles should be licensed by your council. To become 'road legal' vehicles must meet certain standards before they can be licensed. Vehicles that meet these standards and operate unlicensed pose a risk to public safety.

Limousines over eight passenger seats: VOSA license vehicles over eight passenger seats such as buses and HGVs, and as such any stretched limousine which has a seating capacity of over eight passenger seats cannot be licensed by councils as a PHV.

Basingstoke – stretched limousine enforcement

In 2006 following concerns from the trade and parents, Basingstoke District Council developed a strategy to stop unlicensed stretched limousines plying their trade. Unlicensed vehicles are often in a dangerous state of disrepair and extremely unsafe for the public to travel in, and drivers which are not checked may have had a prior serious criminal record.

Enforcement activity was targeted by writing to all

secondary schools within the borough to ask where and when their summer balls were to be held. They provided the schools with an advisory letter, which gave advice to parents about ensuring that the limousines they booked were properly licensed and what evidence to look for.

Basingstoke carried out over 16 joint enforcement operations at the summer balls over the next three years with local traffic police and VOSA checking over 100 vehicles and drivers.

The checks were carried out to ensure the safety of the pupils, and Basingstoke arranged private hire companies to be on standby if necessary and take any affected pupils home as a priority.

The majority of limousines checked were unlicensed by local councils or VOSA, and some drivers had serious criminal records, no DVLA licence and no insurance.

Where there had been serious issues such as unlicensed vehicles or drivers arrested the parents who booked the vehicles were advised incase they wished to claim back costs from the company and so they could avoid using them again in the future.



Supporting the trade

Council tax and PHV licensing services have the responsibility to provide a fair and reasonable licensing service to the taxi and PHV trade. Many councils hold regular trade meetings to understand and respond to the concerns of drivers and operators and discuss changes to policy. Various initiatives such as taxi

marshal schemes and promoting CCTV in vehicles helps ensure drivers are protected from violent passengers. Driver training can also help educate drivers on how to reduce the risk of attacks and improve to professionalism of the trade as a whole.

Watford – taxi marshals

Since 2005, taxi drivers servicing the late night economy in Watford, Hertfordshire have benefited from a taxi marshal scheme.

On three nights of the week – and other identified occasions – two taxi marshals work on the Rickmansworth Road rank, getting passengers in an orderly queue. Passengers who are excessively drunk, are eating or smoking, appear to be violent, don't know their destination or don't have enough money for

their fare are refused carriage.

A third marshal at a remote feeder rank is radioed when more taxis are needed at the main rank.

The scheme is not cheap, and taxi drivers have been reluctant to contribute. Over the years, funding has principally come from licensed premises who make annual contributions, and grants from Hertfordshire County Council – who also fund taxi marshals in five other towns in the county. Money has also been obtained from

Watford Borough Council, the Safer Watford Partnership, and from the Home Office's now-defunct Tackling Violent Crime programme.

An independent study by The Centre for Public Innovation in April 2008 found that: "Stakeholders agreed that the taxi marshal schemes were having a positive impact on both anti-social behaviour and certain crimes – although they were unable to quantify the extent of the impact. They also noted that the taxi marshal schemes played an important role in influencing perceptions of the night-time economies,

sending out a clear message that councils were listening and responding to residents concerns about the effects of the night-time economies."

Watford's Licensing Manager Jeffrey Leib says: "The scheme is generally welcome by many participants in our night-time economy. We are currently looking at enhancing drivers' safety even further by experimenting with marshals using CCTV and recording passengers' details before they get into a cab, to reduce the risk of attacks on drivers whilst en route."

Did you know?

There are a wide variety of vehicles that can be licensed by councils as PHVs – saloon cars, tuk tuks, and even novelty fire engines and ambulances.

Telford and Wrekin – council provided driver training

Some local licensing authorities provide their own in-house council training for taxi and PHV drivers to ensure drivers are fully aware of what is expected of them within the district.

Telford and Wrekin Council have developed a one hour training package which includes a number of subjects aimed to increase drivers' knowledge of the role and improve their level of service.

A presentation is given which explains which acts are unlawful such as PHV drivers loitering in places of public resorts without prior booking, drivers charging

excessive fares, and drivers smoking in their vehicles.

The training includes useful tips on how to best assist disabled people including the conveying of wheelchairs and having awareness of the different types of disability. There is also a section on drivers looking after themselves such as being aware of attacks and considering their overall health and fitness.

At the end of the training session the drivers are required to pass a multiple choice test paper which contains 25 questions based on the driver training package and 52 question based on street knowledge.



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