### Board



Date: 17 March 2016

Item: Private Hire Regulations Review - Correspondence

The following information was received in response to the Private Hire Regulations Review recommendations in the paper to the Board (alphabetical order):

- Addison Lee 14 March 2016
- City of London Police 16 March 2016
- GMB 13 and 16 March 2016
- Will Grozier 14 March 2016 (the letters did not reach the Secretariat until the day of the meeting)
- LB Lambeth x2 16 March 2016
- Eleanor Laing MP (et al) 11 March 2016 (the letters did not reach the Secretariat until the day of the meeting)
- LCDC 15 March 2016
- LPHCA 29 February 2016
- LTDA 10 March 2016
- RD2.com 16 March 2016 and reply to Board from Bob Oddy
- RMT 26 February 2016 (letter referred to in Appendix 1 of the Board paper)
- Uber 11 March 2016

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# Private Hire Vehicles and the Congestion Charge Exemption

Since the inception of the London Congestion Charge in 2003 Private Hire Vehicles (PHVs) and taxis alike have been permitted by TfL to undertake work in the Congestion Charge zone but have been exempted from paying the daily fee. This pragmatic accommodation recognises the vital role that both taxis and PHVs play in London's transport ecosystem.

The number of PHVs on London's roads has risen from 50,000 in 2011 to almost 100,000 today with predictable knock on effects on congestion. Addison Lee undertakes over 10 million journeys per year with a driver base of some 4,500 drivers. A recent analysis of Addison Lee's dataset indicates that intra-inner London journeys now take almost 10% longer than 12 months ago.

In recognition of the impact on congestion which the surging number of PHVs on London's road is having, in late 2015 the Mayor of London appealed to central government for legal powers to institute a cap on PHV numbers (which in our view the Mayor already possesses) to get a grip on this issue. This request was refused and, denied the most effective policy instrument to address this problem, the Mayor has asked TfL to investigate feasibility and impact of removing the congestion charge for PHVs.

So, first, is removing the PHV exemption *feasible*? The law suggests that this is likely to be problematic. Removing the congestion charge from PHVs but not from taxis is likely to be an unlawful discrimination between two segments of the ground transport market. Advice from a leading QC obtained by Addison Lee states that this constitutes State Aid on the part of TfL. Addison Lee has written to TfL's General Counsel pointing out these concerns and reserving its rights.

Even if it were to be feasible, would removing the congestion charge exemption from PHVs be *effective*? TfL accepts that it has imperfect data on what proportion of PHV drivers undertake work during congestion charge hours of operation across London as a whole. It is clear that increased congestion in London affects the whole of inner London so it is difficult to see the benefits in simply displacing traffic from the congestion charge zone to elsewhere in inner London.

PHV owner operators and drivers working for app-only Operators are highly likely to simply undertake additional work on a daily basis to cover an additional overhead. So ironically, removing the PHV congestion charge will result in PH drivers working yet longer hours on London's roads. Bear in mind that one app-only Operator has offered in-app incentives to its drivers to work in excess of 80 hours per week. The PHV industry already faces exhausted drivers as a problem; removing the exemption would exacerbate this problem.

For Operators who own the vehicles in which their work is undertaken, removing the congestion charge exemption would impose a considerable cost. It is highly likely that Operators would be obliged to pass this cost on in whole or in part to customers, thus driving up prices. If a given PHV driver is likely to carry out approximately 15 jobs in the course of a 10 hour shift, the net increase passed on the consumer is unlikely to be considerable and is therefore unlikely to meaningfully restrain either supply or demand.

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This would of course provide a revenue stream to TfL but it is difficult to see how TfL would deploy these revenues to improve safety, service and standards in the PHV sector. While additional enforcement resources are an option, without improving the almost totally absent barriers to entry for PHV drivers, this risks creating a "Red Queen's race" type problem, with TfL having to run ever faster to keep up with a problem which accelerates ever faster way from it.

### So, what should TfL do to restrain growth in PHV numbers?

TfL interprets and enforces a legislative and regulatory framework which separately licenses vehicles, drivers and Operators. While regulation of London's some 3,000 Operators could be improved<sup>1</sup> there are at least meaningful regulatory barriers to entry. For vehicles which meet TfL's criteria, only a fee need be paid. For would-be drivers of good character who pay the relevant fee, they need only obtain a rudimentary topographical skills test.

Given this absence of meaningful guarantees of safety, professionalism and local knowledge it is entirely predictable that PHV driver numbers should have surged in recent years as a result of the arrival of app-only operators which exercise little meaningful supervision of their drivers. Recent reports of anti-social behaviour around London's airports has resulted in no sanction of any PHV Operator as far as Addison Lee is aware and undermines TfL's reputation for ensuring safe transport for Londoners.

We urge TfL to seek policy direction from the incoming Mayor to undertake a root and branch review of the regulation of the PHV market. While the measures resulting from the recent Regulatory Review process are welcome the fact remains that TfL is unable to consistently meaningfully hold operators to account for the actions of the drivers undertaking their work; likewise it is unacceptable that TfL is unable to reconcile vehicles with drivers and in the event of hit and run incidents, the risk of a gross injustice is unacceptably high.

London's PHV market has been transformed recently by smartphone apps, which is to be welcomed. The regulatory framework for the industry has however not kept pace with its developments and TfL needs to reassert its previously firm control. Neither quantity restrictions nor the blunt imposition of additional operating costs will guarantee that London's PHVs are safe – only better regulation will deliver this outcome and TfL must consider this its overriding priority.

#### **Further information**

Addison Lee would be glad to provide further information to recipients of this Briefing Note. Please contact Dominick Moxon-Tritsch, Head of Public Affairs at: dominick.tritsch@addisonlee.com

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<sup>&</sup>lt;sup>1</sup> Addison Lee has maintained that TfL's 'Fit and Proper Person Test' is too narrowly applied. TfL focuses too narrowly on the character of the directors of a company applying for a PHV Operators' Licence and does not consider good corporate citizenship on the part of the Operator, for example paying UK tax, nor the conduct of Operators or group and related companies in other markets

From: Steve Wright

Sent: Wednesday, March 16, 2016 06:05 PM

**To**: Carter Howard **Cc**: 'Neil Morley'

Subject: FW: Integrated Impact Assessment - report for consultation

Hi Howard,

Apologies for the eleventh hour of this and possibly another email but the content is very important regarding proposal 6.

I appreciate this might be far too late to circulate but the content is so important as it's a police view. I'll bring printed copies for the pre-board meeting in the morning.

The attachments are not material but there because they were included.

Best regards, Steve

From Steve Wright MBE

Tel +44 (0) 1442 8334864 Mob +44 (0) 7956 329288

Scanned by Norton Antivirus before sending

From: Aspinall David Sent: 16 March 2016 15:43

To: stevewright

Subject: FW: Integrated Impact Assessment - report for consultation

Steve

I was forwarded the reports attached and asked to comment on a couple of issues.

Firstly, although the MPS Cab Enforcement Unit are shown on the report as having not responded, it should be noted that the MPS have done and so you may need to check whether the CEU response was incorporated in the MPS response.

Having read the relevant sections concerning the TfL proposal to no longer issue licenses for in venue operators or temporary events, the following are my points as requested:-

- Having a In venue operator provides a **direct personal link for all customers** using that PH Operator's vehicles from that venue.
- Passengers are usually shown directly to the allocated / booked PH vehicle, reducing the opportunity of customers being poached by pavement touts, and the confidence that the Operator is using one of his licensed drivers for that fare.
- Police & TPH enforcement officers have a direct face to face link with an in operator venue for any issues / complaints or non compliance issues, in an effort to problem solve any issues rather than having to phone an operator or booking centre.
- Item 3.6.2 refers to adequate space for PHVs to collect passengers from In venue operators. This is specifically relevant to the City location of Billingsgate venue, where insufficient space is available for both trades (HC & PHV) to collect passengers. To not have an Operator would exacerbate the problem where multiple operators could try to turn up with their vehicles for "passing trade".
- Whilst this proposal is rated **Neutral** in the report, I believe it would have a negative effect on our ability to police the PHV trade at licensed premises.

It is possible that not having an operator within premises will mean that there is a free for all outside licensed premises leading to potential public order issues and increasing the risk to vulnerable groups. I am quite surprised that a there appear to have been decisions to grade the effect of a proposal as "Neutral" purely on the basis that there is insufficient evidence to decide one way or another.

Thank you

### 14th March 2016

Isabel Dedring
Transport for London Board Member
Palestra
197 Blackfriars Road
LONDON
SE1 8NJ

An open letter to the TfL Board

Dear Isabel

On 17th March you will be asked to adopt a set of proposals from TfLTPH to place additional controls on the activities of the Private Hire Sector

These regulations contain no safeguards to check the recent massive increase in minicab numbers on London's streets nor do they contain any meaningful brake on the wholesale eclipse of the Black Cab industry.

If you, the board, do not vote these proposals down and insist that TfLTPH 'think again' your names will be forever remembered as the men and women who had the opportunity to save the London taxi but failed to act.

This is not a little taxi boy crying 'Wolf', it is a whole industry under attack from a predatory and ruthless wolf pack called 'Uber'

Please do the right thing and say 'No' to Brown, Daniels & Emmersons's attempt to impose a pro Uber lobbyist's anti-regulatory agenda and rubber stamp the existing status quo.

Do not accept the free market apologists argument that a mechanism to prevent drivers who respond to App sourced demand effectively plying for hire would be an unreasonable imposition,

Such an instrument based on zoning limits of access and visibility could be easily implemented via the very technology that has led us to this sorry state of affairs and is a crucial first step in preventing the London Cab being consigned to the scrap heap.

Ignore the siren calls of those who would have you believe that the plight of the London cab is a function of it's inability to adapt to a new technological landscape – that is just plain wrong – taxis equipped with CC payment systems and Apps such as gett and Hailo simply can't compete with a rival empowered to ply for hire (illegally we would maintain) by virtue of legalistic sophistry – a device operating as a meter and referred to by Uber as'a meter' is apparently not a meter – and the creation of the oxymoronic and hitherto unheard of entity 'an immediate booking'

In addition to your explicit statuary duties of regulating such an historic and revered world renown icon, the London black cab, there exists a concomitant implicit responsibility to behave as 'good stewards' of a 350 year old tradition.

In that capacity your primary function is to ensure it's continuity now under threat as never before.

Failure to grasp this nettle now will simply repeat the old bad habits of national self denigration - The British Disease - tearing down to the detriment of society at large that which we edify and excel at.

Recent events such as the LBC expose have led many observers outside the taxi business to concur with us that TfLTPH is no longer an agency fit for purpose and that administration of the taxi industry should be removed from it's jurisdiction as soon as possible.

If you are in any doubt as to the veracity of that statement I urge you to visit Pancras Road between King's Cross and St Pancras Stations any time when a Eurostar train is due and witness for yourself the rugby scrum of PHV's double and at times triple banked jockeying for advantage in the wait for a ping on the iPhone, causing traffic mayhem in the process, whilst a line of idle taxis yellow 'for hire' signs ablaze snake away on the Kings Cross taxi rank as far as the eye can see.

These disgraceful scenes are your handiwork and you now have the opportunity of taking a first step in turning the tide, already one of Tsunami proportions, to ensure a continuity of supply of the best taxi service in the world to residents of and visitors to the greatest city in the world.

As I write we learn that a 1 year old child has died, mown down by one of your Google Gawping Gimps in Sw7 on Monday night.

All 18 members of the board bear an individual and collective responsibility for that tragedy and I urge you on behalf of all Londoners including my fellow taxi drivers to take that first bold step and say 'No' enough is enough

On 10th March TfLTPH issued a press release setting out the proposals you are being asked to approve.

Of the original set of proposals 4 are not being put forward. They are the 4 most important topics impacting the licensed taxi trade and it is without doubt evidence of the undue influence being exerted on TfLTPH by the Uber lobbying machine.

The combination of a failure to oblige Operators to delay the exchange of passenger and driver details to each other for 5 mins WITHOUT making some alternative provision to properly differentiate the two modes of cab transport combined with the perverse refusal to prohibit the visual display of available cars on the App, completely at odds with all the current Appeal Court judgements which hold that the key defining element of 'plying for hire' is the question of visibility or 'exhibition', sets the scene for a continuation of expansion of Private Hire at the expense of the taxi trade.

Furthermore the requirement that PH Operators be obliged to actually accept future bookings - something that would seem to be a foundational cornerstone of the very raisin d'être of a Car Service is strangely dropped from the proposals as is the very sensible measure to limit drivers to working with one operator and preventing the display of a multiplicity of distracting devices on the dashboard.

TfL's own public awareness campaign warns of the perils of glancing at tablets & mobile phones whilst driving and yet ignores own edicts in the face of the Uber lobby.

In the Press Release Boris Johnson is quoted as saying,

'The private hire industry in our city is flourishing and attracting unprecedented numbers of drivers and passengers'

What he doesn't say is that the expansion is all on the supply side and the growth of Uber is entirely at the expense of traditional private hire and black cabs, it is a transference by stealth not growth.

Elsewhere Garrett Emmerson maintains that

'the proposals will help ensure a modern, flourishing and even safer private hire industry, and will provide choice for customers alongside London's iconic and world-class taxi service'

No, if you have 2 virtually identical systems in direct competition the cheapest will win and it will be instead of the taxis not alongside them.

Board members will not be unaware that earlier in the week the Action for Cabby's Crowdfunding campaign most likely failed to reach it's target of £600k to finance an application for Judicial Review of TfL's actions in licensing Uber.

The failure to reach the target is not the important story, what is far more significant is the fact that taxi drivers have raised near £350,000 in a bid to bring it's own regulator to account, by any standards an unprecedented state of affairs and one that reflects the absolute dismay and betrayal that all taxi drivers in relation to the behaviour Transport for London.

One thing is certain if this attempt to obtain Justice has failed another will take it's place and as increasing numbers of Cabby's come to understand the true reason for the virtual collapse of their businesses ever higher levels of funding will be raised and TfL will be held to account.

Will Grozier Sur

Licensed London Taxi Driver 24672 of 39 years service - but maybe not 40!



March 13th 2016

Dear Board member,

### **Private Hire Satellite Office Proposals.**

I am writing in relation to the proposal to remove the facility of licensing venues by TFLTPH on which you will be voting.

Please may I request you read this message in its entirety as it has salient points that I believe will resonate with board members.

In relation to Satellite office and venue licensing it will be apparent that there was a reason such provision was required in the first place and this was to protect the travelling public from touts and predators.

The clear thinking was to create a fully licensed structure for booking, safe passage and responsibility beginning with the venue, its operator and drivers.

This allowed prospective passengers to travel with a licensed and insured operator and on element of control and protection that had not previously existed.

Whilst this has not wholly eradicated the issue of touting and predators whom generally will immerse themselves within these groups it has created a system that has allowed many to travel with minimal risk and with accountability of the operator.



Whilst it seems some aspects of the consultation have been obfuscated or dropped the ramifications of such a removal go beyond real reason.

I wish you to examine several issues as a result of such a change.

Firstly, in the case of venues where licenses have been granted on the basis of requiring a Car service there will be an issue over licenses that will be required or will need renewal.

Not only does this affect them but for those Private Hire operators who have licenses in place what does this mean for the drivers and staff who work for them?

Claims that apps can replace these are misguided and frankly not a commercial decision neither TFL nor the Mayor should be involved in.

The probability based on legal discussion is that should an operator choose to appeal to court that protracted proceedings would not only lead to license requests being upheld but great expense to TFL.

In our submissions we recommended the option for pop up taxi ranks to give the travelling public a choice.

It seems that 58% of respondent's have not been offered such an option so has adopted the all or nothing option.



This still means that a number approaching 50% felt that a Venue licence option was more logical.

We are definitive that had more respondent's realised the ramifications of such a draconian measure of removal of licences altogether they would not endorse such an action.

Turning to the beyond legitimate need for safety of vulnerable individuals, inebriated or otherwise travelling from venues having a bone fide service in residence is not only logical it is frankly a knee jerk reaction to revoke such a facility.

With no service at all venues will be deluged with miscreants and touts and app based drivers hoping for a journey blocking streets.

With little or no way of constantly policing all venues and with limited power to detain individuals without proof of an offence (Unless an attempted journey occurs.) the phrase 'open season' springs to mind.

In this case TFLTPH not only do not have the power to enforce but with Police being stretched less likelihood of apprehension of those acting illegally.

I would add that parking is not TFLTPH's concern this is a local authority issue which all seem to administer and create revenue from.



Unless TFLTPH and the Mayor are to seek primary legislation on driver caps in TFL's licensing area they are unlikely to see a reduction in traffic.

App based drivers are more likely to be cause traffic issues if they know individuals are booking from a venue by just 'hanging around'.

I believe you do not wish to be authors of the next Newspaper headline of abduction, robbery or rape from a TFL area venue?

As alarmist as this may sound I am afraid as night follows day this is a distinct probability.

Beyond the safety consideration please take in to account the commercial losses and potential claims for business no longer able to operate as a result of such measures.

Not all drivers want to driver for apps and seek the legitimacy of licensed operators to work.

It will be no surprise that venues many years ago prior to licensing had operators in place who provided driers with ID because they craved legitimacy.

In conclusion turning to the final response to TFLs Impact assessment it seems that our views as a primary trade body on this matter have been set aside many groups not responding to the assignment especially as a high proportion of those approached did not engage on the final part of the consultation.



Candidly, the low level of respondents to the impact assessment - less than half approached, make the impact aspect more questionable especially on this point.

On the basis of the points raised in this communication I would implore the board to vote against this for the safety of the public.

I would ask you if need be to consider a more stringent set of guidelines for venues so that the public have this valuable controlled facility available to all and to consider provision of Taxi availability at the venues.

Thank you for your consideration.

Stephen Garelick Branch Secretary.



March 16th 2016

Dear Board member,

### **Second Communication**

We the GMB feel compelled to write on further matters relating to the consultation that you are considering.

### Landlines.

A connection to an operator via an app is not only unacceptable but impractical please make a caveat in this respect

Fixed lines must be London based as we all know that if based overseas many of the operators on the phones use a script but don't always actually understand Local English, dialects or slang.

Operators need to be locally based and rather than not support UK preferably London based operators both the Mayor and TFL are ignoring not only safety but the reason the question was first asked.

TfL should not allow operators to use foreign call centers as this puts customers at risk of becoming victims of identity theft.



There have been several well documented cases over the years where foreign call center personnel have sold customers personal data which then put the customers at risk of becoming victims of identity theft and being defrauded.

Call staff should require a DBS to allow overseas individual's access to such data invalidates data protection so in reality these operators can only be based in the London.

Drivers also need protection TFL and the mayor have ignored driver safety this shows a distain for drivers and their needs.

In short TFL and the mayor don't care about a driver and their needs where office contact is concerned.

Any rule that protects passengers should also be there to protect drivers be it an issue over safety or alterations in fare or journey where drivers frequently need advice or assistance.

## **English Language proficiency**

On the English language test we request that B2 testing standards are not only adopted but all drivers who have received licences in the past are tested for proficiency.

Knowing that test & training centres were closed on the basis of spurious testing methods we feel at the very least all PHV



drivers are rechecked to ensure service levels and Linguistic understanding are at their highest possible.

### **Congestion Charging.**

We are astonished that what seems to be the charade of a consultation in relation to potentially charging private hire drivers for entering the congestion zone.

On Tuesday morning the mayor was clear in advising this would be happening.

The reality of such a charge would be beset with multiple issues.

Firstly, it is open to fraud where companies may charge each individual client congestion charge fees on journeys without any knowledge that only one daily fee is payable.

Out of Congestion zone operators would be forced in to charging a substantially higher amount on journeys to travellers not only losing business from those unwilling to pay but denying travellers with disability access as one example.

Some individual's need private hire for access where other transport mediums do not exist and a further cost will no doubt stop them from the access they require.



In the case of this measure obtaining ratification drivers will be the bearers of what is ostensibly a tax on working.

With exemptions on certain vehicles this will create an iniquity for some drivers unless all private hire vehicles are no longer exempted.

In essence the probability that this is not only discriminatory in its foundation but creates yet a further impediment to trade.

Whilst some operators do follow good corporate ethics it is clear others are intent on flooding the marketplace with drivers regardless of consequence.

There is also the aspect of cross border hires where non TFL vehicles are working within London's confines further hampering an already overburdened market.

However, numbers will not necessarily diminish at night and if anything drivers will move to a night economy where they will not face the liability.

We question the cost of a consultation when it seems the profession has been ignored and an impulsive reaction leads to more damage to Private Hire.



The commercial damage to a profession already treated like rag doll by Speculators, TFL and The Mayor is a step too far.

TFL and The Mayor seem to have no respect for the costs, stress and pressures that private hire drivers experience on a daily basis.

We would add that in our response to the consultation in not one instance have the real issues private hire drivers face been addressed.

Finally, we would add that charging for Journeys should be UK based to be sure of VAT recovery for the UK economy.

Thank you for your consideration.

Stephen Garelick Branch Secretary.

Our Ref: PMC/TFL/2



Date: 16<sup>TH</sup> March 2016

Steve Wright MBE 56 Austins Mead Bovingdon Hemel Hempstead Herts HP3 0LH

15th March 2016

**Dear Steve** 

### RE:- TFL decision to end Licensed Taxi stations in London licensed venues.

My name is Paul McCann and I am an Area Crime Reduction Manager based in the London Borough Lambeth Community Safety Team. I have 16 years of experience of working in crime and public protection fields within inner London boroughs.

I am writing in reference to TFL's current proposal to discontinue the issuing of taxi licenses for in-venue operators or temporary events.

Speaking from the perspective of an experienced local authority Community Safety practitioner, I am extremely concerned about this proposal

By way of context, Lambeth has one of the largest night time economies in London with eighteen 24 hour licences, and already deploys massive police and council resources to support the licensing objectives, and to mitigate against any associated crime, antisocial behaviour, and public nuisance.

Moreover, the Lambeth Community Safety Partnership work to the Operation Equinox initiative which is designed to reduce serious violence related to the night time economy. As part of this initiative we work to ensure safe dispersal of patrons leaving late night licensed venues, making sure that they are directed to licensed cabs to avoid the unlicensed taxi touts which regularly encroach on the various night time venues across the borough.

London Borough of Lambeth
Community Safeguarding
6th Floor, International House
6 Canterbury Crescent
London SW9 7QE

Telephone: 020 7926 9000



We therefore rely upon initiatives such as satellite taxi stations at some of our busy NTE venues, to support the aims and objectives of Equinox and to ensure patrons (particularly lone women) can safely be transported home at the end of a night out,

One of the venues where this satellite facility is currently available is the Fire night-club in Vauxhall, which is one of the boroughs hotspots in terms of crime and anti-social behaviour, with high incidence of robbery. Withdrawal of the taxi station will make dispersal more difficult to achieve, and increase the likelihood of crime and public nuisance occurring in the locality.

The Clapham High street is area a Cumulative Impact Zone (as defined by Lambeth Council's Licensing Policy) which means that we have reached the saturation point in terms of the number of pubs, clubs restaurants in the area. The high street is particularly busy at weekends and the police team working is close liaison with the high street wardens and venue door staff to ensure people are directed safely away from their premises using licensed taxis, and do not cause undue noise or nuisance to local residents. It is also home to Infernos night club (which currently has a satellite facility) which is often at weekends at full capacity with over 1,500 patrons per night over the course of Friday and Saturdays evenings.

There also appears to have been little consideration given to Section 17 (Crime & Disorder Act 1998) in making this decision and I would be interested to learn what weight was given to Section 17 in the integrated impact assessment, particularly bearing in mind the extreme detrimental impact this may have on reducing the opportunities for crime and nuisance outside our night-time venues, and protecting vulnerable women.

My view as a community safety professional is that the withdrawal of this facility will seriously impact on the ability of all London boroughs ability to uphold their duties to enforce the licensing objectives as defined in the Licensing Act 2003.

Yours sincerely

Paul McCann

Area Crime Reduction Manager - Clapham

**Community Safety Service** 

**Delivery Cluster** 

London Borough of Lambeth

6th Floor

International House

6 Canterbury Crescent

London

**SW9 7QE** 

Email: pmccann@lambeth.gov.uk/

www.lambeth.gov.uk

Lambeth - a cooperative council

Our Ref: MC/TFL/1



Date: 16<sup>TH</sup> March 2016

Steve Wright MBE
56 Austins Mead
Bovingdon
Hemel Hempstead
Herts
HP3 0LH

Dear Steve

### RE:- TFL decision to end Licensed Taxi stations in London licensed venues.

I'm writing this with regards to the TFL licensed Taxi stations in Lambeth licensed venues. It was brought to my attention by one of our Area Crime Reduction managers Paul McCann that the taxi stations available at some clubs across London are to be withdrawn. Neither I, nor any of my Police Licensing colleagues were consulted with regards to this matter and I am deeply concerned with the detrimental effect these measures will have on crime and disorder in the borough.

Lambeth has a vibrant and busy Night Time Economies, with numerous licensed premises directly in Brixton, Clapham and Vauxhall. These are a major draw and destination for people from all over London and the Home counties particularly during busy weekends.

Lambeth also suffers from high levels of anti-social behaviour and crime related to the Night Time Economies and we have collectively adopted various tactics and strategies taking place in a multi partnership approach to combat this.

To mitigate against these problems, a dedicated team of Security Industry Association (SIA) trained individuals that patrol Clapham High Street to disrupt the anti-social behaviour caused in the Night Time Economy. These are funded by Clapham Business Improvement District (BID), and work alongside licensed premises and the Metropolitan Police Service. Two dedicated police officers have also been funded by the Vauxhall BID to patrol and police the Vauxhall

London Borough of Lambeth Community Safeguarding 6<sup>th</sup> Floor, International House 6 Canterbury Crescent London SW9 7QE



Telephone: 020 7926 9000

There is a dedicated operation to tackle violence with injury, especially within the Night Time Economy. This is Operation Equinox, and officers are deployed to the borough's major Night Time Economies on every weekend. This is a London wide operation organised and resourced by the Metropolitan Police Service.

The purpose is to detect, disrupt and deter offenders or suspected offenders specifically towards violence with injury. To help assist this, a dispersal zone is put in place under s34 Anti-Social Behaviour, Crime and Policing Act 2014. This allows a police constable to disperse a person where there are reasonable grounds to suspect that the behaviour of that person has, or is likely to contribute to, harassment, alarm or distress; or the occurrence of crime or disorder within the locality; and that it is considered necessary to do so in order to remove or reduce the likelihood of those events.

The removal of the taxi stations will encourage and facilitate touting, this will and potentially lead to increase in crime and public nuisance by those lingering in the area after the terminal hour in clubs and pubs. Taxi touting has been a serious issue in the borough, where drunken patrons have got into unlicensed vehicles and have been sexually assaulted.

Having these facilities available, allows patrons from the respective Night Time Economies to leave the area and return home, safe and sound. They also discourage people loitering in the area, causing anti-social behaviour or be potential victims of crime themselves.

I believe that having dedicated taxi stations in clubs provide a valuable resource which helps licensed premises to promote the Licensing objectives, specifically - Prevention of Crime & Disorder, Prevent Public Nuisance & Public Safety.

Due to the requirement to present this urgently, I am not in a position to supply crime statistics. These can be provided in future.

I would strongly recommend that TFL reconsider their position with regards to the withdrawal of taxi stations in late night venues.

Yours sincerely

Mike Constable | PC 596LX - Licensing & Night Time Economy Team | Lambeth Borough

Telephone 0208 649 2089
Email <u>Licensing-LX@met.pnn.police.uk</u>
Address International House, 6th Floor, Canterbury Crescent,
Brixton, SW9 7QE

### MRS. ELEANOR LAING MP



# HOUSE OF COMMONS LONDON SW1A 0AA

Mr Boris Johnson MP Mayor of London Transport for London Windsor House 42-50 Victoria Street London SW1H 0TL

11th March 2015

Dear Mayor of London,

We are writing regarding the Private Hire Regulation Review ahead of the final decision on the Proposals to be taken by the Transport for London Board on Thursday March 17th.

We welcome the announcements made on Wednesday 20<sup>th</sup> January of this year which gave a preliminary indication that TfL will be proceeding with the majority of the Proposals which were put out to consultation. We are disappointed however, that certain Proposals are not being proceeded with – in particular Proposals 2, 5, 8 and 22. Given the large number of Private Hire Vehicle drivers and London Black Cab drivers that live in our constituencies we wanted to take the opportunity to write to you and set out our view on some of the proposals following representations we have received.

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

We are pleased that TfL have indicated they are to proceed with this Proposal. We do, however, continue to be of the view that "best practice" would include supplying a driver photograph and suggest that vehicle brand, name and colour should also be provided to minimise the risk of a passenger getting into the wrong vehicle.

We recognise that there may be technological impracticalities regarding the method of delivery of this data to customers but suggest that retaining Proposal 2 would provide adequate time to convey this data.

# 2. Operators must provide booking confirmation details to the passenger at least five minutes prior to the journey commencing

We are disappointed to learn that TfL does not intend to proceed with this Proposal. Our view continues to be that a five minute delay constitutes pre-booking and therefore is in keeping with the traditional distinguishing characteristics between taxis and PHVs.

As already mentioned, a five minute delay would also allow sufficient time for the requirements of Proposal 1 to be fulfilled by a PHV operator.

## 3. Operators will be required to seek TfL approval before changing their operating model

We welcome the indication that an amended proposal will be taken forward requiring notification to TfL prior to the implementation of changes to the operating model of a PHV operator. As you will be aware, the PHV industry is less regulated than its competitors in the London Taxi trade. To ensure a

more even playing field in the market we are of the view that every possible step must be taken to ensure the PHV operators are compliant with the purpose of any relevant legislation or regulations.

### 5. Operator must offer a facility to pre-book up to seven days in advance

We are disappointed that TfL's initial indications are that they will not proceed with this proposal as providing such a facility is fundamental to the pre-booking characteristic of PHVs. We note the point made by Integrated Impact Assessment (IIA) that such a change would place logistical burdens on PHV operators and in particular may require changes to operating models, however, as PHV operators regularly change their operating model we do not believe that impact is "major adverse".

In our view the benefit to the consumer and in particular those with protected characteristics such as the disabled outweighs any short term adverse impacts for PHV operators.

### 6. TfL proposes to no longer issue licenses for in-venue operators or temporary events

We strongly welcome the indication that this Proposal will be implemented and hope this will address the concerns raised in the London Assembly Transport Committee Future Proof Report 2014 at paras 7.22-7.26. We continue to advocate that all present licenses should be cancelled with immediate effect. It is apparent that TfL is abjectly failing in its duty to enforce the conditions of the licenses properly and that in many locations they are facilitating PHV drivers forming what are effectively "cab-ranks".

# 8. Operators must not show vehicles being available for immediate hire, either visibly or virtually via an app

We are extremely disappointed that TfL has indicated it's unwillingness to proceed with this Proposal. We share the widely held view that displaying the location of a PHV gives the impression that it is immediately available for hire and that implying that a vehicle is immediately available for hire is inconsistent with the fundamental characteristics of a PHV, namely, that it is pre-booked.

We are particularly concerned that by stating the concept is likely to be tested in the courts, TfL is abdicating its responsibilities to determine such issues as a regulator.

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

We are pleased that TfL have indicated they will proceed with this Proposal and hope it will aid TfL in its enforcement role – in particular ensuring that all PHV drivers have the relevant insurance.

### 14. Specific requirement for an English Language test

We are glad that TfL has indicated that it intends to proceed with this Proposal as the ability of a driver to communicate with a customer is essential for a PHV driver to provide sufficient customer service and to communicate with other road users, especially emergency services.

We note that concerns were raised in the IIA that some PHV drivers could lose their jobs or that an English Language test could be an impediment to some people entering the trade. We are of the view, however, that the PHV/taxi market in London as a whole is already over saturated and are concerned that the high number of PHV drivers has an adverse economic impact on individual driver earnings leading to welfare dependency.

#### 21. Drivers to carry or display a copy of insurance details at all times

We note that the Proposal states that PHV drivers may carry or display their insurance details and are of the view that PHV drivers should display (and not merely carry) a copy of their insurance. We consider it vital that taxis and PHVs have equivalent rules regarding insurance given the importance of insurance and hope that requiring insurance to be displayed may aid compliance officers in their duties.

### 22. Hire and Reward fleet insurance in place by operators

We are disappointed that TfL has indicated its unwillingness to implement this Proposal. We remain convinced that the costs this Proposal may have for PHV operators are superseded by the benefits in terms of the protection of consumers and other road users.

We note that Private Hire drivers are often tempted to cancel Hire and Reward insurance once they have been accepted by a licensed operator and that there have been high profile cases of operators accepting fake or forged Hire and Reward policies as genuine. Furthermore, TfL and Police ANPR cameras can only differentiate between insured or uninsured vehicles making it difficult to clamp down on these practices.

Concerns were raised that implementing these Proposals would place an unfair burden on small operators. Smaller operators will find it easier to ensure that their drivers have Hire and Reward insurance and therefore we suggest that by limiting the requirement to get fleet insurance to large operators this Proposal could target those drivers most likely to be uninsured. Large operators are also likely to be able to benefit from lower costs by buying fleet insurance. It is important to reiterate that even if this was not the case, safety must be given precedence over increased operator costs.

Implementing this Proposal could ensure that all passengers travelling in a PHV in London are covered in the event of an accident as well as easing TfL's compliance burden.

#### 23. Operator licence type

We are pleased that TfL has indicated its intention to increase the application fees charged for large operators. As mentioned in our Consultation Response, the London Assembly Transport Committee Future Proof Report 2014 Recommendation 11 evidenced concern regarding the resources currently devoted to enforcement and highlighted the presence of funding gaps. We hope that an increase in the application fee for large operators will provide a substantial new revenue stream.

We note that TfL have indicated they will consult on this at a later date and that it is also mentioned in the 'Additional Items' section of the January 2016 Consultation document. We encourage the TfL Board to take steps urgently to implement this consultation so that a new revenue stream can be unlocked which reflects the huge variance in different operator's market share and therefore their cost of regulation by TfL.

#### **Additional Items**

We are pleased that TfL has indicated that it is looking at removing the Congestion Charge exemption for PHVs. As the IIA mentions, it is estimated that 1 in 10 vehicles entering the Congestion Charge zone is now a PHV and the number of PHVs in the zone has increased by over 50% in the last two years. We advocate removing the Congestion Charge exemption as soon as possible to ease congestion and pollution.

In light of the huge danger to public health through pollution and the increasingly unmanageable congestion levels we also advocate introducing a night time congestion charge.

We appreciate that the impact of these Proposals on pollution and congestion, though important, is somewhat limited so long as TfL has no ability to cap the number of PHVs on London's roads. We will continue to lobby Government to see this important power devolved to TfL.

#### Conclusion

Many of these changes will require costs to operators so that they can be implemented. We hope, however, that by implementing these Proposals slowly PHV operators will have the time to adapt and that this will lessen any financial impact. We advocate prioritising passenger safety and environmental concerns over costs and recognise that these Proposals do not serve to only impact the PHV industry but also have the ability to protect consumer choice between PHVs and taxis. We firmly believe that the important distinction between PHVs and London Taxis must be maintained and the existence of both trades supported and properly regulated.

We hope to hear from you soon and await with interest Transport for London's Response to the Consultation.

Yours sincerely,

W

Eleanor Laing MP Bob Neill MP

Charles Walker MP

Stephen Metcalfe MP

### **Kenny Shamus**

From:

Mark White

Sent:

15 March 2016 04:03

To:

Boris Johnson

Cc:

Kenny Shamus; Caroline Pidgeon; Valerie Shawcross; richard.tracey@london.gov.uk;

Darren Johnson; LCDC

Subject:

TFL Board Meeting on 17th March PH Regs Review. Agenda Item 9

To: The Chair of the Transport for London Board: Mayor of London, Boris Johnson MP.

From: The Chair of the London Cab Drivers Club: Grant Davis.

Dear Mr Mayor,

On the 17th of March, you will be asked to approve or reject a set of proposals and new rules for the Private Hire trade in London that could effectively signal the end of the world's best Taxi trade and which may not be in the best interest of all Londoners. Citizens who do not necessarily wish to use a particular PH Operator to book a car, via a smartphone, but wish to avail themselves of a London Taxi, use a bus, ride a bicycle or walk as an alternative.

In September 2015, TFL sought to consult on a number of issues which largely came from the recommendations of the Taxi and Private Hire investigation at City Hall carried out by the London Assembly's Transport Scrutiny Committee, jointly chaired by Caroline Pidgeon and Valerie Shawcross.

The Committee produced a comprehensive report which they called "Future Proof". It was the third such report into the Industry. The first report, produced in 2005, was entitled "Where to, Guv?" and concluded:

"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."

However, in just over ten years, the Taxi trade has been decimated, not by the oft-championed cry of 'technological innovation' or 'disruption' but by a lack of political will and a disregard of the law and current regulations.

BBC London's Transport Correspondent, Tom Edwards, described the London Assembly's 'Future Proof' report as "Brutal".

### He said:

"I CAN'T REMEMBER SUCH A CRITICAL REPORT FROM THE TRANSPORT COMMITTEE. IT IS BRUTAL. IT CALLS TRANSPORT FOR LONDON "NOT FIT FOR PURPOSE", 'WOEFULLY INADEQUATE' AND CALLS FOR IT TO 'GET A GRIPS WITH THE BASICS'. THERE AREN'T ENOUGH RANKS, ENFORCEMENT OF TOUTING IS 'OUTSTANDINGLY LOW' AND INDUSTRIAL RELATIONS ARE ROCK BOTTOM.

MOST CABBIES AND PRIVATE HIRE OPERATORS WILL FEEL VINDICATED WITH THE FINDINGS. THE QUESTION IS WHAT ARE TRANSPORT FOR LONDON GOING TO DO ABOUT IT?"

Yet when TFL recently consulted on the impact of the PH Regulations Review, they failed to pay any regard to the impact these measures would have on the London Taxi trade by implementing rules that would perpetuate a virtual Taxi service, one best referred to as 'Taxi-lite' due to the fact it is light on proper safety measures and seeks to share risk between its Drivers and customers.

The Taxi trade does not fear legitimate competition that plays by the same rules. Hailo and Gett were using e-hailing technology in 2011, but as Hailo Chairman, Ron Zeghibe says, it's an un-level playing field:

http://www.bloomberg.com/news/videos/b/d3a2d97a-5882-4788-bf36-cea58c54bdae

To burden the Taxi trade with safety regulations, whilst allowing PH Operators to externalise their costs onto society, in order to undermine the Taxi trade and compromise safety for profit, cannot be in the best interests of the public in the Capital.

One of the proposed regulations you have been asked to reject is probably the best example of this. TfL is seeking approval not to proceed with the following proposal: Proposal 2. The original proposal, made a year ago in the March 2015 consultation, asked if passengers should be provided with driver and vehicle details prior to commencement of a journey: "Operators must provide booking confirmation details to the passenger at least five minutes prior to the journey commencing."

This proposal was originally designed to provide "a short time period (that) will give more certainty that the driver and vehicle information has been successfully sent, delivered and read by the passenger, and that the driver has had sufficient time to plan an appropriate route."

The original proposal was quite clear: it was designed so that the PH Driver could plan an appropriate route; something that is also explained in the best practice guidance (2010) from the Department of Transport:

From the section on Topographical knowledge.

"Taxi drivers need a good working knowledge of the area for which they are licensed, because taxis can be hired immediately, directly with the driver, at ranks or on the street. So most licensing authorities require would-be taxi-drivers to pass a test of local topographical knowledge as a pre-requisite to the first grant of a licence (though the stringency of the test should reflect the complexity or otherwise of the local geography, in accordance with the principle of ensuring that barriers to entry are not unnecessarily high).

However, PHVs are not legally available for immediate hiring in the same way as taxis. To hire a PHV the would-be passenger has to go through an operator, so the driver will have an opportunity to check the details of a route before starting a journey. So it may be unnecessarily burdensome to require a would-be PHV driver to pass the same 'knowledge' test as a taxi driver, though it may be thought appropriate to test candidates' ability to read a map and their knowledge of key places such as main roads and railway stations. The Department is aware of circumstances where, as a result of the repeal of the PHV contract exemption, some people who drive children on school contracts are being deterred from continuing to do so on account of overly burdensome topographical tests. Local authorities should bear this in mind when assessing applicants' suitability for PHV licences."

These words were reiterated by the Hon.Karen Buck MP, when she was a Minister for Transport (London) in 2005, and the Head of Driver Policy at the PCO/TFL, Simon Buggey, in 2009, when he explained:

"It was the Private Hire Vehicles (London) Act 1998 that introduced private hire licensing in London for the first time, and it was the responsibility of the Public Carriage Office to implement that legislation. When we first consulted publicly on PHV driver licensing, the standards that were proposed for PHV drivers were

based on the existing standards for taxi drivers. These standards were seen as appropriate and as a result all drivers now have to meet common character and medical standards.

As they are required to drive a specific type of vehicle, taxi drivers have to take the additional taxi driving test but PHV drivers have the additional requirement of having to have held a full driving licence for at least three years.

The main difference between taxi and PHV driver is their route finding skills. These are two quite distinct requirements and help to maintain the fundamental difference between the two trades. The main reason for the superior level of route finding skills required from a licensed taxi driver is the availability of the taxi for immediate hiring from a taxi rank or a street hail, which means that, unlike a pre-booked private hire vehicle, there is little, or no time for the driver to prepare for the journey."

In December 2015, Mr Mayor, you stated during Question Time that: "the Knowledge is vital. It has proved itself over many years to be a unique feature of the London taxi trade and something that passengers certainly value. It would be a great shame to lose that. Many experiments have shown that the Knowledge is vastly superior to satnay, TomTom or whatever."

The Knowledge also plays a major part in your strategy for Taxis & Private Hire: it is the main distinction between the two services. These are easiest explained as a qualified Driver with a distinct iconic vehicle who generally knows where he is going against an unqualified Driver who doesn't.

Somewhere during the past year, the original proposal that said: "a short time period (that) will give more certainty that the driver and vehicle information has been successfully sent, delivered

and read by the passenger, and that the driver has had sufficient time to plan an appropriate route" mutated into something about customers having to stand on the pavement waiting in the wind and the rain!

How that happened is really immaterial, what is important and in the best interest of the public at large, is the fact that Private Hire Drivers are neither qualified nor safe to operate on demand or immediately, without having had time to plan a route to both the pick up address and the destination.

The proposal should have dictated that customers pre-book a vehicle, a minimum time in advance, that enabled the Private Hire Driver adequate time to be able to look up and plan a route to the customer and then again a route to the destination, prior to picking the customer up. The customer could quite easily stipulate a time (within a minimum time frame) for when they would like to be picked up and therefore would not be standing in the street in adverse conditions looking at their phone or randomly approaching drivers as they do now. Having booked a vehicle for a specific time. They would be able to view their details and the approaching vehicle and driver.

The London PH Act was originally interpreted to include a time period that allowed the PH Driver to plan a route. Yet in 2014, somebody at TFL decided to change that interpretation saying that there was no element of time in a pre booked job. That is incorrect. The long-standing interpretation acknowledges a passage of time related to planning a route. A Driver using e-hailing technology has no time whatsoever to plan a route to the customer's destination as he/she is too distracted trying to find the customer's pick-up address. Often the destination is not specified or only given as 'As Directed' and the hiring operates in the on-demand market. In fact, TfL's own contractor, Mott McDonald, referred to the booking as 'more immediate' in the integrated impact assessment yet failed to

measure the impact on the Taxi trade who operate in the ondemand, immediate hiring market.

It is not a three-tier system or a free market as you acknowledged in questions at City Hall, last year. Your strategy is for a two-tier system and PH should not be operating as taxis, virtually or otherwise.

Last week, saw the tragic incident that resulted in the death of a small child. This was not an accident in isolation.

Throughout the day, and the Weekend before, a number of Private Hire vehicles were involved in accidents that were just the tip of an enormous iceberg of casualties (see some of the pictures below).

There can be no doubt that these accidents are a result of PH Drivers trying to operate on-demand using a smartphone app that allows them to be electronically hailed or 'e-hailed'.

TfL advertise across the Transport network that Drivers should not allow themselves to be distracted by their mobile phone and then licence a PH Operator whose modus operandi does just that! To make matters worse, TFL did not check the way the Operator's model worked until cars were virtually plying for hire on the streets of the Capital and the sheer volume of vehicles and complaints from the public and others became overwhelming.

The surge in PH applications in the past year or so, is a direct result in PH vehicles being allowed to virtually ply for hire all over London, using a virtual taxi meter from virtual ranks. The subsequent congestion causes a great deal of the pollution that affects us all and leads to a significant amount of Londoners dying prematurely.

In the past, the Topographical knowledge examination was a mechanism that allowed TFL to measure supply and demand in the

on-demand market. However, by licensing a PH Operator to do so without warning has led to the decimation of the licensed Taxi trade and an explosion in the PH trade to the detriment of Londoners in general.

Lord Borwick recently said: "With the knowledge, we have a wonderful 3-year system for weeding out the chancers, crooks and con artists", which leads us onto another proposal that you will be asked to approve or reject:

Proposal 8:

"Operators must not show vehicles being available for immediate hire, either visibly, for example by signage on the street; or virtually, on an app."

The original consultation proposal was a safety measure to amend the PHV Regulations to require operators to ensure that private hire vehicles are not visibly shown to be available for immediate hire, whether physically (e.g. signage or otherwise on the street) or via an app, or other means.

The Taxi trade largely supported this proposal and has no problem with customers being able to see their vehicle once booked. But the trade cannot support a proposal that allows PH vehicles to virtually ply for hire and tout for trade as has been seen on the streets of the City and West End. This proposal was in order to stop PH vehicles being identified by members of the public, who would then approach the driver. Yet PH Drivers are seen virtually plying for hire, using fog lights to signal their availability in conjunction with an app.

Again, only last week, the Radio Station, LBC, showed the scale of this problem and the dangers of passengers, not only willing to get into vehicles, but also how easy it was to get a license to operate as an illegal PH Driver in the first place.

http://www.lbc.co.uk/this-is-how-easy-it-is-to-become-illegal-minicab-driver-126098

You can listen to TfL's response here:

https://audioboom.com/boos/4255458-tfl-s-peter-blake-responds-to-lbcs-minicab-

investigation?utm\_campaign=embed&utm\_content=retweet&utm\_medium=social&utm\_source=facebook

As the Chairman of the London Cab Drivers Club, I wish to impress on you how important these two proposals are for the safety of the vulnerable passenger and society in general. Private Hire Operators should not be able to cut corners by avoiding necessary legislation by externalising their costs to the public and avoiding regulations.

Recent figures show the amount of sexual assaults in PH vehicles (see graph below) in the Capital. Again, this is just the tip of the iceberg.

Whilst London Taxis have motion-sensitive door locking that can be opened if the driver leaves the front of the vehicle, a PH vehicle, with child locks enabled and the central locking engaged, does not and becomes a cage with the passenger trapped inside with the driver.

Booking a ride in a PH vehicle should be as safe as possible given the recent history of sexual assaults in the UK, nationally(Rotherham/Aylesbury/Medway): it should not be left to 5 star ratings and Internet reviews.

PH vehicles are also not designed to operate on-demand from the street. They do not u-turn quickly to minimise congestion and fares, nor are they instantly recognisable, like a London Taxi. These are all necessary safety features which make London's Taxis the safest

in the world: a reputation the Cab Trade are proud of. Our high standards need to be maintained not lowered in a race to the bottom.

London is also the only City in the world that has a 100% wheelchair accessible fleet of Taxis. If the Licensed Taxi market is not afforded sensible levels of protection, the Capital will lose this important service. A London Taxi driver bears the cost of providing this service and only recovers the expense when picking up fares. If the market is saturated and unregulated then the fleet will diminish and new vehicles will not appear.

TFL said as much in an ULEZ report (Ultra Low Emission Zone Integrated Impact Assessment-Economic and Business Impact Assessment) commissioned from Jacobs, in October 2014 that said:

"Taxi drivers with older vehicles can: invest in new vehicles, including second hand that meet the age limit but availability of the latter is expected to be virtually nil; or withdraw from the market. Virtually all taxi drivers are self-employed and would therefore have to bear the cost of a new vehicle themselves while at the same time seeing the value of their present taxi diminishing. With a new zero emission vehicle costing approximately £40,000, and a high proportion of drivers over the age of 50, there is a risk, even with mitigation, of an exit of drivers and vehicles from the market."

"With the growing use of mobile apps to pre-book PHVs, the pressure on taxis is likely to continue, although nearly half of all taxi trips start from being hailed on-street. Outside central London, the suburban taxi market, where earnings tend to be lower and competition from PHVs higher, could see the biggest decline in taxi availability, if drivers decide that the ability to make a reasonable return on a substantial investment declines."

Bearing in mind that TfL Executives report that the cost of providing Dial-a-Ride type services are extremely costly and complaints from the Disabled about Private Hire are high, can London afford to lose the London Taxi and the wheelchair accessible fleet?

The GLA Transport Committee recommended that 25% of the Private Hire fleet should be wheelchair accessible-that's about 25,000 vehicles that need to be converted. At this moment in time less than 1% of PH vehicles are fully accessible.

Matthew Daus (President of the International Association of Transport Regulators) made a very important point to the GLA Transport Committee on the 9th July, 2014. He said: "The app phenomenon is everywhere. It is in China, it is all over Europe and there are different rogue apps, as I call them, I think they call them cowboy apps here. We have reports written about rogue apps. It has become a term and it is an app that defies the law, and we need to change the law to keep up with it. The reality is that they want to still break the law and I think you should be mindful of that. They will come and tell you one thing and do another. The reality is that breaking the law gets them press, press gets a following and they download the apps and they make money off it." .....And he then supported the complaints against these new unregulated entrants..." I do believe the trades have made a good point in objecting to people just coming in because they have a lot of money and say they can steam roll and ignore the law."

http://www.theguardian.com/commentisfree/2016/jan/31/cheap-cab-ride-uber-true-cost-google-wealth-taxation

The London Taxi is a traditional service that operates safely in a modern manner. I urge you not to scrap it for the expediency

of a quick buck that will come back to haunt Londoners in the future.

Please reconsider the two proposals in the spirit of the legislation they were originally intended: to operate safely in the public interest, not to be cynically twisted to aid and abet something that may kill the iconic London Taxi!

Londoners, their families and visitors from worldwide would never forgive you.....

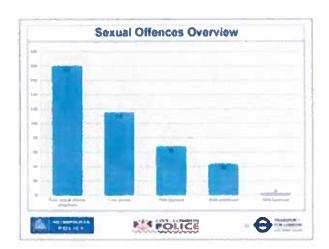
Be lucky!

Yours sincerely,

**Grant Davis** 

(LCDC).







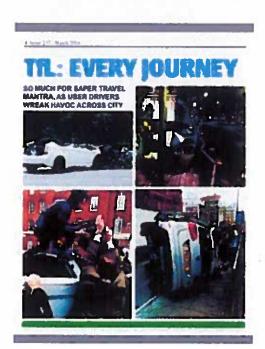
NEWS & POLITICS / LBC BEST BITS

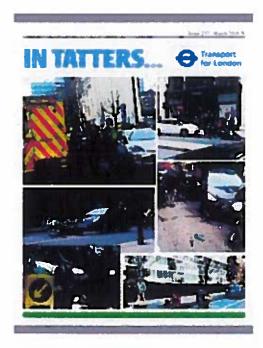
# TfL's Peter Blake Responds To Investigation

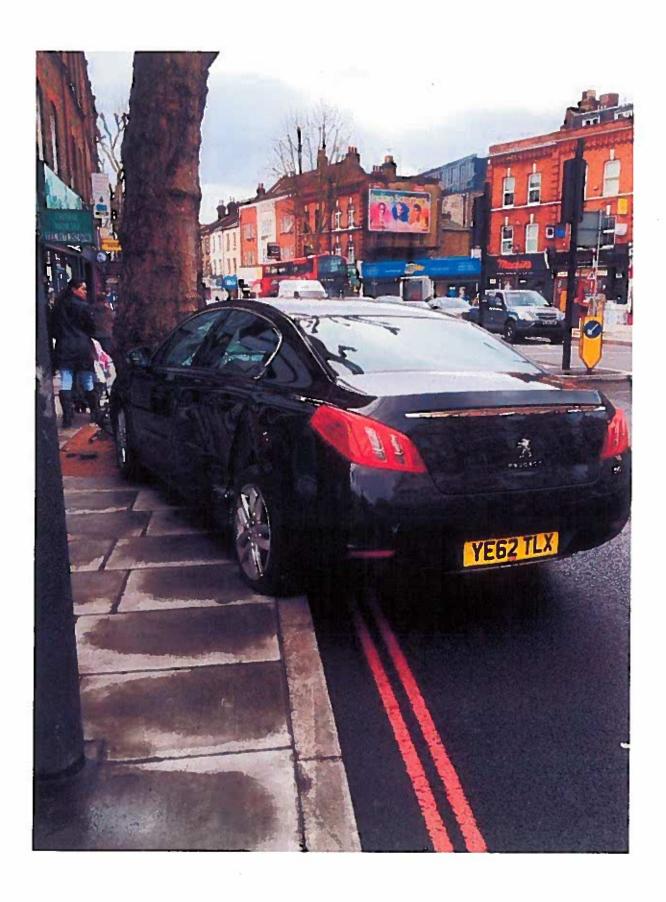


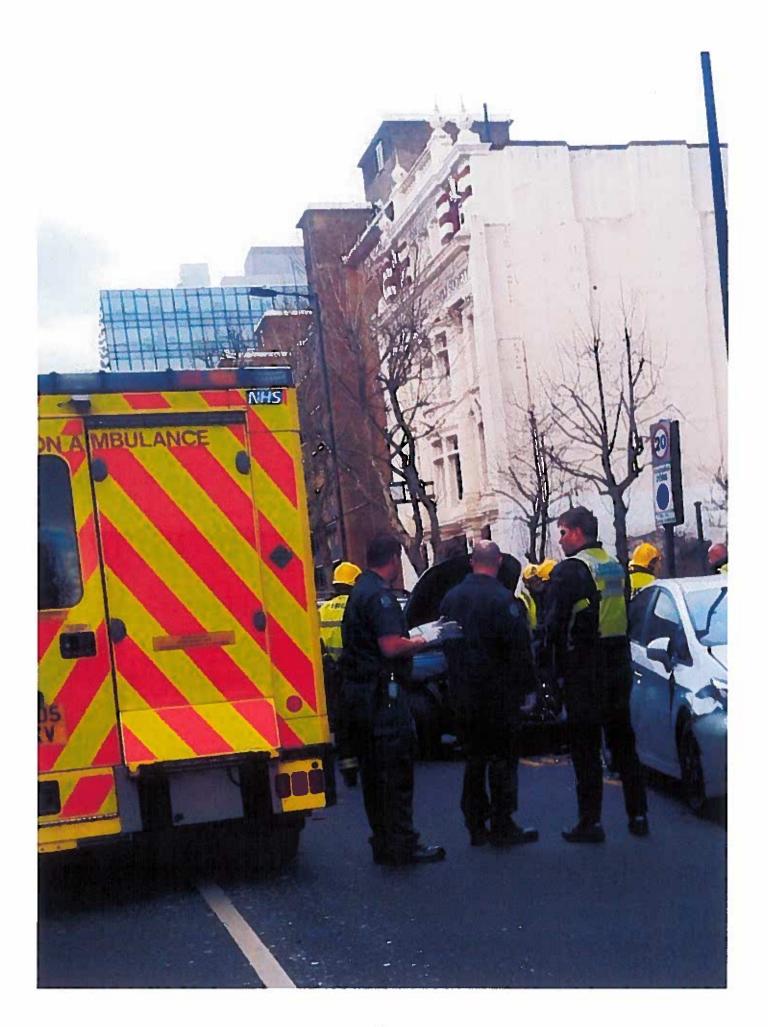














I'm Tootles the taxi,

I'll give you a ride.

Put up your hand,

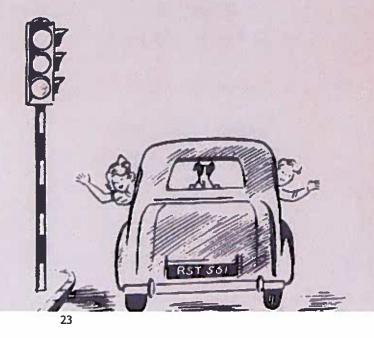
Then jump inside.

Just watch the meter,

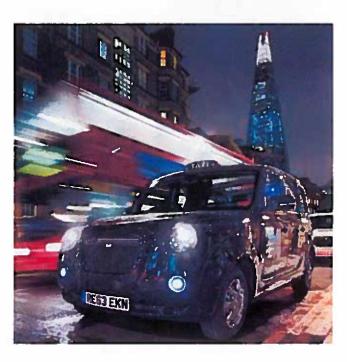
You'll see the fare—

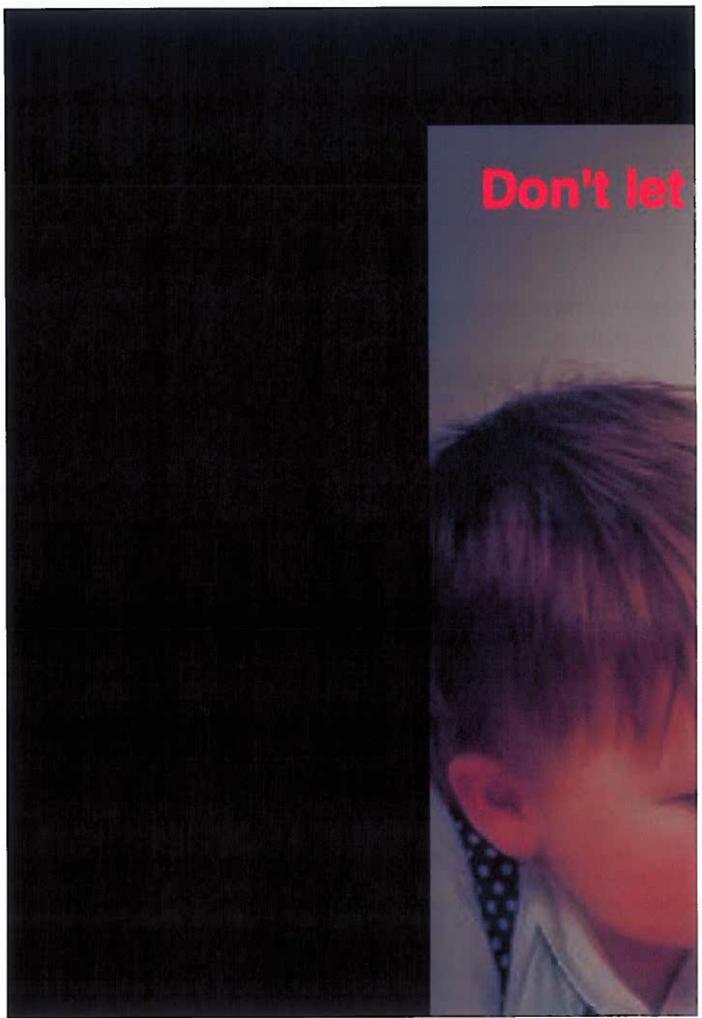
Distance no object—

Go anywhere!









# Licensed Private Hire Car Association

Inc London Private Hire Car Association
56 Austins Mead, Bovingdon, Hemel Hempstead, Herts HP3 0LH
Tel: 01442 833483 Mob1: 07956 329288 Mob2: 07931 483345
E-mail: LPHCA@btinternet.com Web: WWW.LPHCA.CO.UK



Mr Peter Blake
Director of Service Operations
for TfL Surface Transport
230 Blackfriars Road
London SE1 8PJ

29<sup>th</sup> February 2016

Dear Peter.

As you are aware the Licensed Private Hire Car Association (LPHCA), the Private Hire Board, the few London Venue owners that we've managed to speak to and many others are totally opposed to Proposal 6:

"TfL proposes to no longer issue licences for in-venue operators or temporary events."

You will be aware that the Integrated Impact Assessment (IIA) undertaken by Mott MacDonald itself states (at page 26):

"The removal of in-venue operators or temporary events is likely to disproportionately impact passengers who have heightened personal safety concerns for the reasons outlined in the 'health section'. These groups include disabled people, LGB people, BAME groups, females and young people."

It also goes on to state (at page 85) that – "...information on passengers who use PHV to and from venues and temporary events is largely unknown."

For these reasons alone Proposal 6 should not be pursued and we have set out even more detailed reasoning concisely in our recent written submission to TfL.

Regarding the IIA, I wish to formally complain that as one of the most experienced people in the Private Hire Industry in London, I am staggered that my feedback to Mott MacDonald about the dangers of putting Proposal 6 through have been totally omitted from their report. I believe that Eddie Townson (Chairman of the Private Hire Board) and others are equally shocked that their feedback has also been omitted.

We therefore call for the withdrawal of Proposal 6 and its replacement with a new proposal to, in the first instance, formally engage with all stakeholders (including, more specifically, disabled people, LGB people, BAME groups, females, young people and safety groups). We further believe that a full and transparent dialogue with the Police, TfL Compliance, Local Authorities, Venue Owners, Licensed Operators, Trade Groups and any other major interested parties (including TfL's Surface Transport Panel) must be undertaken as part of the aforementioned new proposal process.

You will also be aware that we have put forward reasonable alternative proposals several times as to how licensing at late night venues and temporary events could be improved and submit, in the second instance, that they form the basis for any constructive consultation on reform in this area (not the current blanket Proposal 6 set out above).

Let me assure you I remain totally committed to working towards a viable proposal, which will take us forward by improving, not reducing, safety and service for the travelling public in London that use PHVs from venues and events.

Yours sincerely,



Thursday 10 March 2016

Dear Baroness Grey-Thompson

# PHV regulations: a missed opportunity to guarantee Londoners' safety

Further to our letter of Monday 22 February, the LTDA wanted to make you aware of some key issues surrounding the conclusions of TfL's review of Private Hire regulations, which you will be asked to ratify at the board meeting on 17 March. We hope you will use the opportunity to push TfL to explain its decision to drop the only proposal which would have guaranteed that every PHV operating in London is appropriately insured.

# Insurance

Proposal 22 in the draft regulations would have required operators to put in place Hire and Reward operator insurance. Operator insurance is the only way to guarantee that all passengers travelling in a PHV in London are covered in the event of an accident, but TfL has concluded this is not necessary and has not explained why.

Coupled with the failure to "upscale enforcement activity ... to ensure compliance across the industry" (a pledge contained within TfL's 2014-15 Annual Report), the failure to take this proposal forward is completely unjustifiable. Come March, the number of PHVs in London will have risen by over 40,000 in a year, but TfL will have done nothing to make sure they are all appropriately insured. Given that delivering a safer, more secure service is fundamental to TfL's work, the Board needs to demand an explanation as to why this common-sense measure has been dropped.

# Congestion

We know that TfL feels there is a problem with the huge increase in PHVs, with the Annual Report saying TfL would "seek new powers in primary legislation to restrict vehicle numbers" in order to address this. These efforts have proved futile, and as an interim measure the Mayor has proposed removing the Congestion Charge exemption for PHVs. With PHVs now representing over 10% of vehicles entering the Charging Zone on a daily basis, and with London tending to report the highest levels of NO2 of any city in the world, the capital cannot support an ever-increasing number of PHVs circulating central areas waiting for jobs. Removal of the congestion charge exemption is a necessary – albeit limited – step towards addressing this.

I attach further information on these proposals, as well as on satellite booking offices, for your reference. Please don't hesitate to get in touch with me at <a href="mailto:steve@ltda.co.uk">steve@ltda.co.uk</a>, or the LTDA campaigns team at <a href="mailto:info@ltda.london">info@ltda.london</a> if you have any questions.

Yours sincerely

Steve McNamara General Secretary



# Further detail on TfL's response to its review of Private Hire Regulations

Numerous issues warrant further consideration ahead of the TfL Board deciding how to proceed at its meeting on 17 March – in particular the issues of uninsured PHVs, congestion and air pollution in central London and "Plying for Hire."

### Insurance

- Hire and Reward insurance is required by anyone wishing to legally carry people or their goods in return for payment. It is essential for couriers, hauliers, removal companies and taxi drivers.
- Without Hire and Reward insurance, passengers will not be covered in the event of an accident or another loss while travelling in the vehicle.
- Proposal 22 would have removed the responsibility for correctly insuring Private Hire vehicles from the drivers and placed it with the licensed operator.
- Due to the high cost of taking out a Hire and Reward policy, Private Hire drivers are often tempted to cancel it once they have been accepted by a licensed operator or accepted onto an operator's platform and replace it with a cheaper Social, Domestic and Pleasure Policy.
- There are also numerous examples of operators accepting fake or forged Hire and Reward policies as genuine and activating uninsured drivers to work on digital platforms.
   One high profile example was a *Guardian*<sup>1</sup> journalist uploading a blatantly fake policy, with the driver then being accepted onto the platform.
- TfL and Police ANPR cameras can only pick up uninsured vehicles they cannot differentiate between types of insurance – and so it is hard to clamp down on this practice, especially since TfL has not beefed up enforcement activity as outlined in the 2014-15 Annual Report.
- Licensed taxis are covered by Hire and Reward insurance at all times not requiring the same condition for licensing a minicab is a big mistake.
- Introducing Hire and Reward operator insurance (proposal 22) would have categorically ensured that all passengers travelling in a PHV in London are covered in the event of an accident.
- It would also have made TfL's job much easier: instead of having to check close to 100,000 individual policies, the regulator would only have to check those of around 2,000 operators a much more manageable task which can realistically be completed on a regular basis.
- Operator insurance would also lead to cheaper policies as a result of bulk buying by the operator on behalf of drivers, so it would be better for the driver and the customer.
- In addition, PHV operators are forced to regularly check the insurance status of its
  drivers and run the risk of having their operating licence revoked if one of their drivers is
  found to be uninsured.
- Having operator insurance is the best way to ensure that this does not occur, which is why Addison Lee – the second largest PHV operator in London and the largest in Europe – already abides by an operator policy.
- However, TfL is not intending to take this proposal forward, and has not explained its reasoning.

Booth R, 2015. Uber whistleblower exposes breach in driver-approval process. The Guardian, 12 June



TfL has claimed it will "explore" the idea of requiring indemnity insurance for PHVs –
cover for claims made against you – but this will do nothing to ensure passengers are
insured.

The failure to take this proposal forward means the consultation has done nothing to address the problem of uninsured PHVs transporting passengers in the capital.

# Congestion charge

- London tends to report the highest levels of NO2 of any city in the world. A July 2015 study<sup>2</sup> carried out by King's College London for the Mayor of London's office reported 5,900 premature deaths in London associated with NO2 exposure in a single year.
- TfL's Roads Task Force<sup>3</sup> found that motorised road traffic contributes 60% of particulate matter (PM10), 47% of nitrogen oxides (NOx) and 17% of carbon dioxide (CO2) emissions in London.
- We have long argued that, as the regulator with responsibility for passenger safety, the
  environment and congestion, TfL is best placed to decide whether a cap on the number
  of new PHV licenses is necessary in order to manage the negative side-effects of their
  growth in terms of increasing congestion and pollution.
- TfL stated in its 2014-15 Annual Report that it would seek power to set a cap from Government. The Government has refused to grant this.
- As a stop-gap measure, the Mayor of London has proposed removing the Congestion Charge exemption for PHVs, in a bid to curb congestion and pollution in central London.
- Uber, one of the largest minicab operators with over 25,000 registered drivers, has argued the policy is misguided as PHVs do not contribute to congestion and pollution in the charging zone.
- This ignores the fact that these cars are only on the road to pick up paying passengers.
- London has by far the lowest rate of car ownership per capita in the UK<sup>4</sup>: people are not choosing between driving their own car and getting a PHV, they are choosing between getting a PHV or another form of public transport.
- A recent study commissioned by the New York Mayor's Office<sup>5</sup> explicitly says that the
  minicab firm is one of a number factors contributing to overall congestion in the city –
  and the same is true in London, where PHVs now represent over 10% of vehicles
  entering the Charging Zone on a daily basis.
- It is TfL's job to manage London's road network and ensure road usage is efficient and sustainable. The Charge is a tool for doing so: it is designed to incentivise good behaviour.
- PHVs are subject to much less stringent emission regulations than black taxis: all newly licensed taxis will have to be zero-emissions capable from January 2018; the same rules will only apply to PHVs from January 2023.
- Low-emission vehicles will continue to be exempt there is nothing stopping PHV
  operators from upgrading their fleet and thereby maintain their exemption.

<sup>&</sup>lt;sup>2</sup> King's College London, 2015. *Understanding the Health Impacts of Air Pollution in London* 

<sup>&</sup>lt;sup>3</sup> TfL, 2013. Technical Note 21: What is air quality on the road network and does this vary by road type, location and time of day?

<sup>&</sup>lt;sup>4</sup> Department for Transport, 2014. Vehicle Licensing Statistics: 2013

<sup>5</sup> City of New York, Office of the Mayor, 2016. For-Hire Vehicle Transportation Study January 2016



# "Plying for Hire"

- Every single feature of a black taxi from the driver's training to the environmental standards of the vehicle itself — is subject to stricter regulation than PHVs. In acknowledgement of the stricter standards applied to them, taxis have historically enjoyed certain privileges.
- The ability to "Ply for Hire" i.e. drive around in anticipation of being hailed for immediate use is one of these privileges. PHVs, on the other hand, need to be pre-booked.
- In 2014 the Law Commission endorsed the two-tier system, concluding that "the different ways in which taxis and PHVs are engaged makes different levels of regulation appropriate."
- In order to reinforce this distinction, TfL proposed ensuring that PHVs had to be booked
  at least five minutes in advance (proposal 2). We assume the thinking was to ensure that
  PHVs could not be identified via an app and virtually "hailed" for near-immediate hire.
- The LTDA did not endorse this proposal. We felt it could lead to customer confusion and endanger passenger safety.
- There nevertheless needs to be a clearly defined and robustly enforced definition of "Plying for Hire", so that it is clear to all drivers and operators how they are allowed to operate.
- As noted by the current Mayor of London, among others, allowing a PHV operator to show available vehicles via an app, is "Plying for Hire" – some PHV operators clearly incentivise and facilitate plying for hire among their fleet.
- While TfL has rightly dropped the five-minute wait proposal, its needs to explain how it
  intends to maintain the distinction between vehicles able to ply for hire (taxis) and those
  operating under a pre-booking system (PHVs). In a world of app-based near-immediate
  communication between customers and operators, at what point does "pre-booking"
  become "hailing"?
- TfL ducked its role in helping find a solution, saying the concept "will be tested in the courts" – an expensive and lengthy process, and a wholly unsatisfactory recommendation to emerge from this consultation.
- TfL is the regulator it should make the decision, not put the onus on individuals or associations such as the LTDA to pursue a judgement in the courts.

# Accessibility

- 16% (5.8m) of working age adults in the UK are disabled, with around a fifth of them
  having difficulties accessing transport as a result of their disability<sup>6</sup>.
- For vulnerable adults in London especially those that rely on the use of a wheelchair –
  private transport can be the only option to get from A to B. For example:
  - Only 67 of the 270 London Underground stations (around a quarter) have some degree of step-free access – around half of these are step-free from platform on to the train;
  - Only half of London Overground stations are wheelchair accessible;
  - London buses have low floor access, but there is no guarantee of travel as overcrowding can make getting on impossible.
- TfL's Annual Report 2014-15 noted that nearly two-thirds of disabled and older people "would like to make more trips by public transport."

Department for Work and Pensions, 2014. Disability Facts and Figures



- Black cabs are 100% wheelchair-accessible and guide dog-friendly the only form of public transport that is – while taxi drivers have undergone specialist training to help vulnerable passengers.
- By contrast, taking a PHV represents an accessibility lottery. In October 2015, only around 100 drivers of Uber's 25,000 in London (roughly 0.4%) could be requested by disabled passengers. It must also be noted that most of these vehicles are NOT wheelchair accessible, but simply that the driver has had limited further training.
- With minicabs in London increasing at a rate of 600-700 per week totalling over 98,000 in February 2016 and undercutting the taxi trade, there is a real possibility that black cab numbers will fall.
- If the high-quality, accessible service they and many reputable minicab firms provide is not being replicated across the board, there is a chance that cheaper, inaccessible operators will win out – significantly restricting the ability of vulnerable passengers to move around.
- We have already seen the problem that occurs when this is left unchallenged: the
  President of the United Spinal Association in America asserted in September 2015 that
  "Uber's growth in New York City has shamefully ignored and excluded the approximately
  60,000 wheelchair users in the five boroughs."
- In order to give vulnerable passengers the same access to transport as everyone else –
  the key theme of TfL's Access all Areas transport show PHV operators should be
  obligated to offer a service which at least matches the 16% figure, having well-equipped
  vehicles in their fleet and well-trained drivers capable of servicing vulnerable adults.
- This 16% should also be available to pre-book to give vulnerable adults as much assurance regarding their journey as possible.

# Satellite booking offices

- When a PHV operator applies for a license, it must specify a designated operating centre where it will take bookings.
- Satellite booking offices are other premises outside of the designated operating centre
   where bookings are taken.
- PHV operators can set up satellite offices anywhere, be it on a high street, in a train station or even in a nightclub.
- In effect, PHV operators use these other premises to tout for business, which is illegal –
  only taxis are allowed to actively seek fares.
- Given technological and cultural advancements, the vast majority of PHV bookings are made remotely – either via an app or by phone.
- As a result, there is no need for satellite offices one operating centre is sufficient.
- TfL via its London Taxis and Private Hire (LTPH) arm is rightfully considering outlawing satellite offices to improve compliance to licensing laws.
- The Private Hire industry is campaigning against this, but has failed to provide assurance that these satellite centres do not contribute significantly to touting.
- TfL should ban these offices to uphold the two-tier system.

TfL is on the brink of missing a huge opportunity to ensure standards within the private hire industry are improved, for the benefit of drivers and passengers. More broadly, it needs to assume responsibility for ensuring both the taxi and private hire industries can thrive in the 21st century, by devising and implementing a robust regulatory framework. At the moment it is ducking the challenge.



# RD2.COM Ltd 297 Old Street EC1V 9LA

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Tel: 0207 739

# **Transport for London Board**

Transport for London Palestra House 197 Blackfriars Road London SE1 8NJ

16th March 2016

Dear TfL Board Members,

I am writing in response to TfL Board Members having apparently been recently circulated a weblink to a YouTube video purporting to show alleged touting at a TfL licensed in-venue private hire operator venue.

I feel it is of paramount importance that a misleading and distorted video presentation does not present an unbalanced perspective to the TfL Board. As my Company Ride 2 is the subject of this 2014 video I would like to make everyone aware of the following key points:

- The TfL Board was recently forwarded a YouTube video link, entitled "One New Change Ride 2 13<sup>th</sup>
   Nov 14", allegedly demonstrating the 'problem of touting' at a licensed in-venue private hire
   operator premises.
- 2. Your colleague Steve Wright MBE immediately consulted us as an LPHCA member and as the licensed in-venue PH operator concerned, seeking the facts. The featured individual is a former employee, Mr Dean Back, who was subjected to a wholly unnecessary prosecution on 27<sup>th</sup> November 2014 at North London Magistrates Court for the alleged touting incident at the venue, One New Change. The case was withdrawn by the Crown Prosecution Service (CPS)<sup>1</sup>. I have forwarded correspondence with Ms Sonya Foxsmith, the Magistrates Court Clerk in the case, confirming her perceived understanding that the CPS withdrawal was due to Mr Back being situated inside the boundaries of the licensed in-venue private hire operator centre<sup>2</sup>. TfL Board Members will, no doubt, be aware that "...touting consists of soliciting persons to hire vehicles..." by "...approaching people on the street..."<sup>3</sup>.
- 3. Far from demonstrating touting as alleged, the real facts are:
- a. The case was tried; after due consideration <u>no offences were found to have been committed</u> and charges were withdrawn;
- b. No enforcement action was taken by TfL against either Mr Back or Ride 2.

Registration No:

VAT No:

Registered Address: 145-157 St John St, London EC1V 4PW

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<sup>&</sup>lt;sup>1</sup> 'North London Magistrates Court – Memorandum of Entry' (Case No. 1402847585).

<sup>&</sup>lt;sup>2</sup> 'R v Dean Back (Case No. 1402847585) - Court Clerk Records'.

<sup>&</sup>lt;sup>3</sup> See para. 5.16, page 71, 'Reforming The Law of Taxi and Private Hire Services: A Consultation Paper' (No. 203), Law Commission, 2012.



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- c. No evidence has been presented that the removal of licensed in-venue private hire operators will benefit, rather than lower, levels of public safety.
- d. Disclosure of the YouTube video, if anything, is no more than an irresponsible attempt to obtain an unfair competitive advantage. Ultimately, at its base level, one trade desires access to another's business.

It is my belief this incident shows the current regulatory system works in respect of in-venue private hire operators. The swift identification and prosecution, albeit incorrectly, of Mr Back adds support to this notion. We do however, feel that this point was made explicitly on the "LPHCA Whistle Stop Tour" that some TfL Board Members kindly attended (i.e. regulation is better than no-regulation at venues) and does not therefore require further expansion.

In any event, it is very clear that the YouTube video is completely irrelevant to the issue of touting (given that there was a valid licence in place) and request that it be withdrawn or, at the very least, disregarded by the TfL Board in its deliberations over Proposal 6 on 17<sup>th</sup> March 2016.

The LPHCA have stated that Proposal 6 should be rejected in the interests of public safety and, by way of alternative, advocated a broader enquiry be conducted with <u>all</u> stakeholders. This route, I believe, is the most appropriate way to resolve outstanding concerns as to the impact Proposal 6 has upon public safety. You may wish to consider, in support of this point, my statement below.

"I have, in my working life as an operator, worked at events and late night venues assisting passengers including blind and disabled people with bookings and have helped to co-ordinate them into vehicles safely whilst illegal 'touts' looked on. This proposal would make my service illegal at venues and events, which is beyond belief."

I trust, and hope, that TfL Board Members will share my sincere public safety concerns about Proposal 6 and thereby reject it in its current form.

Registered Address: 145-157 St John St, London EC1V 4PW

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Registration No:

VAT No:

Yours faithfully,

Vijay Khakhria For RD2.COM Ltd From: Bob Oddy

**Sent:** 17 March 2016 17:30

**To:** [TfL Board]

Subject: RE: Board 17 March 2016 - further correspondence on the PHRR

### Dear All

Please see below the previous email and video link, which I sent to members of the Surface Transport Panel.

Following today's Board and pre-meeting, I was 'off site' until returning to my office at 4pm when I viewed, for the first time, a communication and attachments which had previously been circulated to members from a Vijay Khakhria (RD2.COM Ltd.)

Mr Khakhria describes my video as 'misleading and distorted'. He refers to a case for touting, which had previously been heard at Highbury Corner Magistrates' Court. I have no knowledge of this case and am therefore in no position to comment. Mr Khakhria then deliberately misleads members by misquoting the relevant legislation (which I assisted in drafting). He states that the soliciting relates to "approaching people on the street". It does not. The relevant act is the Criminal Justice and Public Order Act, Section 167. It relates to "soliciting in a <u>public place</u>" and defines public place as including "any highway and any other premises or place to which at the material time the public have or are permitted to have access". The venue in my video clearly falls within that definition.

I would never seek to mislead the Board; but Mr Khakhira clearly has his reasons for so doing.

## Bob

[Original email to members of the Surface Transport Panel]

## Dear all

During discussions at the above meeting I informed that I had witnessed, on many occasions, Private Hire Operator staff touting blatantly, both in and outside venues, which had been granted operator licences by TfL.

The attached two minute video clip was filmed previously by one of my colleagues. The evidence it portrays is self-explanatory. The venue is One New Change and the PH company licensed at the premises is RIDE 2. I believe that RIDE 2 is one of the companies which members were recently invited to visit?

Bob

https://www.youtube.com/watch?v=3le59D 0ta4



# National Union of Rail Maritime and Transport Workers



Transport for London Board Windsor House, 42-50 Victoria Street, London, SW1H 0TL

Our ref: NP/P18

26 February 2016

Dear Sirs

# Private Hire Regulations Review: Integrated Impact assessment

I write in relation to the recently closed consultation conducted by Mott Macdonald and to which this union responded on behalf of our member drivers. Arising from which, I request that you consider the following observations.

In July 1997 the Department for Transport issued a consultation on *Regulating Minicabs in London*, in that document the government stated that:

"Its consultation was not on whether minicabs <u>should be</u> regulated but on <u>how</u> they should be. Sir George and the government have both made clear they have no intention of changing the position on plying for hire. In London, as elsewhere, that will remain the exclusive right of the taxi trade; **it will continue to be illegal for minicabs**, or any other vehicles, **to ply for hire**. Minicabs must be pre-booked: it is illegal for them to ply for hire. 'Plying for hire' means that the vehicle is **available for immediate hiring**: a cab can be hailed directly in a street, or at a taxi rank. In order to **prevent minicabs from competing unfairly** with licensed taxis, legislation prohibits the display in them or on them of any sign or other **feature which may suggest** that the vehicle is a taxi **available for immediate hire** [emphasis added]".

Those assurances were material and binding undertakings by the government – meaning that without those assurances <u>The Private Hire Vehicles (London) Act 1998</u> would not have subsequently been passed into law by Parliament.

The London Taxi has been plying its trade for 380 years in the capital. A large volume of case law, including at appellate level, has been established as a result of challenges against and in defence of working practices. Spanning the last 150 years, the courts have consistently held that **Exhibition** and **Availability** of a vehicle are the key factors essential for establishing the act of "Plying for Hire". The separate offence of "*Touting for Hire*" deals with the act of "*Solicitation*".

TfL has a duty to regulate the Private Hire industry - and the key role in so doing - in accordance with the law (with reference to the intention of lawmakers as summarised above). The Mayor of London, Boris Johnson, in whom is vested the executive power which the Greater London Authority wields, has stated that allowing a PHV operator to show available vehicles via an app, is "Plying for Hire".

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General Secretary: Mick Cash

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We believe this feature should never have been permitted to have been offered – this is because it manifestly contravenes the principal of a restricted right to "Ply for Hire". Further, during the 2010 PHV consultation, we were assured by TfL that such apps would only be offered to Taxi drivers.

We therefore question the requirement to conduct an impact assessment in relation to TfL's role as regulator in respect of introducing certain proposals (such as 2, 3 and 8). TfL is simply attempting to uphold the law in relation to "Plying for Hire" principles and practice, rather than establish new practices – obviating the need for a consultation and impact assessment.

Further, TfL is failing in its role as the regulator, by stating that the concept of plying for hire "will be tested in the courts" – an expensive and lengthy process, and a wholly unsatisfactory recommendation to emerge from this impact assessment consultation. TfL is the proper authority – the Board should direct that the necessary decisions and actions be taken, rather than attempt to duck its responsibilities and put the onus on private organisations and unions to fund a legal challenge.

The failure to take action against PHVs plying for hire via smartphone applications, has and continues to have a substantially adverse impact on taxi drivers. Specifically, drivers are finding their business undercut as a result of PHVs' *e-hailing* undermining their exclusive right to ply for hire. TfL surveys show that 70% of Taxi hiring in central London originates from a "*Hail*" - with journeys starting and ending within central London.

TfL - in its provisional taxi and private hire strategy 2015 states that: "There are a number of issues currently facing the taxi and private hire sector and questions are being asked of TfL as to how we plan to address these. Many of these issues require changes to primary legislation"

Yes and TfL is obliged to exercise those powers which Parliament has bestowed upon it, both in terms of making regulations that distinguish working practices and in promoting clauses for the purpose of amending Primary legislation. Failure to make such regulations and to secure the introduction of a statutory definition of plying for hire and limit the number of private hire vehicles amounts to regulatory abdication.

Accordingly, we call on the Board to now ensure that TfL corrects this. We look forward to welcoming a new statutory definition of plying for hire.

Yours faithfully,

Mick Carl

Mick Cash General Secretary



Uber London Limited Aldgate Tower Whitechapel High Street London F1 8DX

Ms Isabel Dedring Transport for London Board isabel.dedring@london.gov.uk

11 March 2016

Dear Ms Dedring,

We are grateful that TfL has opened the regulations governing private hire in London up for consultation. The current rules were drawn up long before the smartphone, apps or GPS, all new technologies that have transformed the sector for customers, drivers and operators. TfL has the opportunity to ensure the sector provides Londoners the best possible combination of safety, choice, service and value.

Having reviewed the documents submitted to the TfL Board to assist in making their decision on the 17th March, we remain concerned that the process has fallen a long way short of best-practice. As a consequence, the proposals, if enacted, will be bad for consumers because they will restrict choice, impede competition, hold back innovation and increase costs.

In order for the current process to deliver the best outcomes, and to reduce the risk of legal challenge, TfL should follow UK government regulatory guidance. In particular, by this point in the process the following five issues should have been resolved.<sup>2</sup>

# Lack of evidence that additional regulations are needed

TfL has not provided evidence of consumer harm, or of the need for the regulatory interventions it proposes. This is a fundamental failure.<sup>3</sup> Surveys of opinions of already proposed regulations are not an assessment of regulatory need.

# Unclear objectives

There is no reference to specific, legitimate policy objectives.<sup>4</sup>

# Lack of substantive analysis of proportionality

In part because TfL has not identified the specific problems that the proposals are designed to correct, the regulator has also not been able to provide evidence of their potential impact. A proper analysis

<sup>&</sup>lt;sup>1</sup> See the 2003 Better Regulation Principles, the March 2015 Better Regulation Framework Manual, the Treasury Green and Magenta books on policy design and evaluation, and the Government's policy on competition and regulation as set out in the recent 2015 Autumn Statement and 2015 Productivity Plan.

<sup>&</sup>lt;sup>2</sup> The Green Book states that proposed policies must have: (i) a rationale, i.e, a clearly identified problem; (ii) objectives, i.e., a clear purpose and goal of any proposed regulation; and (iii) an appraisal, i.e. an assessment of the impacts of the proposed regulations.

<sup>&</sup>lt;sup>3</sup> The Green Book states that, "before any possible action by government is contemplated, it is important to identify a clear need which it is in the national interest for government to address. Accordingly, a statement of the rationale for intervention should be developed" (para 3.1).

<sup>&</sup>lt;sup>4</sup> The Green Book also states that "objectives should be stated so that it is clear what proposals are intended to achieve. Objectives may be expressed in general terms so that the range of options to meet them can be considered" (para 4.2).

of proportionality would have required TfL to conduct a robust assessment of the benefits and costs of the proposals, including possible unanticipated consequences.<sup>5</sup>

# Inadequacy of the external Integrated Impact Assessment and other reports

TfL has attempted to mitigate some of these concerns by commissioning an independent Integrated Impact Assessment (IIA) from Mott MacDonald, carrying out consumer surveys and analysing consultation responses. These reports are wholly unable to resolve the above concerns for three principal reasons:

- i) As regards the IIA in particular, Mott MacDonald had just over three weeks to collect and analyse data regarding the PHV sector, limiting the effectiveness and comprehensiveness of their assessment.<sup>6</sup>
- ii) The design and terms of reference of the reports explicitly precludes any assessment of the need for regulation in the first place.<sup>7</sup>
- iii) The reports do not assess the impact of regulatory interventions on competition in the market, which is essential to understanding the actual impact of regulatory changes in dynamic markets.<sup>8</sup>

Independent regulatory impact assessments conducted by other regulators generally take several months to complete. They routinely combine market specific analysis with detailed regulatory economic assessment. The IIA commissioned by TfL clearly fails to meet that standard.<sup>9</sup>

# Prescriptive nature of the proposed regulation

Most of the proposals prescribe detailed actions required of drivers and operators, rather than setting a regulatory objective and allowing the market to determine how best to meet it.<sup>10</sup>

In light of the further revision to the Proposals published on 10th March 2016, and in order to ensure that TfL's consultation into Private Hire Regulations achieves a positive outcome for customers and does not unduly restrict stakeholders' ability to compete and innovate, we would recommend that it commission a further independent assessment on its revised list of proposals. The terms of reference should explicitly cover both an assessment of the need to regulate in the first place, and a broad regulatory economic analysis of the likely impact of the proposals on the market.

We hope that our concerns will inform your thinking during the meeting of 17 March 2016.

Matthew Wilson Legal Director UKI Uber

<sup>&</sup>lt;sup>5</sup> The requirement to consider proportionality of a measure features both in EU law (see Case C-55/94 Gebhard) and UK regulatory policy. The Principles of Good Regulations require that "policy solutions must be proportionate to the perceived problem or risk" and "the unintended consequences need to be taken into account, as well as the desired outcomes." The Green Book recommends that a thorough cost/benefit analysis is carried out. (Green Book para 2.3 and Section 5).

<sup>&</sup>lt;sup>6</sup> The Green Book suggests that impact assessments should be timely and iterated as necessary before the proposals are implemented in full (paras 2.4 and 2.18).

As mentioned above, a rationale for action is necessary prior to carrying out an appraisal.

<sup>&</sup>lt;sup>8</sup> See in particular the importance of improving competition as set out in para 1.220 of the Government's Autumn 2015 Statement.

<sup>&</sup>lt;sup>9</sup> For example, when the Legal Services Board reviewed referral fees they commissioned both a 33 page <u>qualitative report</u> carried out by Vanilla Research and a 117 page economic report from Charles River Associates on the <u>full impact</u> of referral fees on the market and consumers (prepared within a period of five months).

<sup>&</sup>lt;sup>10</sup> For example, Remedy 1 (Operators to provide driver photo ID and details of vehicles to customers). This goes against the Principles of Good Regulation which state that prescriptive legislation "will often be less flexible and less sympathetic to the way markets work than other tools." Further, prescriptive regulation "quickly becomes outdated in areas where market conditions or technologies change rapidly, and may inhibit innovation" (pages 3 and 9). For a discussion of need, see Footnote 4 above.