

Petition: Allow Free Movement of Taxi Drivers to Carry Out Private Hire Work Anywhere in Wales

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Petitions Committee | 9 October 2018

Research Briefing:

Petition number: P-05-835

Petition title: Allow Free Movement of Taxi Drivers to Carry Out Private Hire Work Anywhere in Wales

Text of petition:

We call on the National Assembly for Wales to allow Taxi Drivers carry out private hire work freely anywhere in Wales, regardless of which council the driver is licensed by.

We bring this petition in response to the actions of a group of taxi drivers based in one City. We call on the National Assembly to take into account the wishes and desires of taxi drivers and operators across Wales, as opposed to a small group of drivers from one city.

If you book a taxi either by phoning someone, or using an app that company is legally allowed to send a car to you, regardless of where you are, or where the company is based. If you were in Barry and phoned a Cardiff company for a taxi to go to Caerphilly, they could, and would send a car to come and pick you up in Barry, and take you to Caerphilly.

If you were in Swansea, and wanted to go to Llanelli and were unable to get a taxi, you could phone a company in Bridgend, and they could send a car to pick you up, if they had one available.

This gives taxi users a greater choice of which companies that can and can't use. More choice, and more options meaning more competition drives companies to offer a better service to retain each person's custom.

From a drivers point of view, if they are licensed in Cardiff, and they were taking someone to Cardiff Airport, and a Cardiff based operator has a booking from someone to be picked up at Cardiff Airport going to Merthyr, the Cardiff driver is allowed to do that job.

Background

Local authorities are responsible for licensing taxis and private hire vehicles (PHVs) in Wales. The law on taxis and PHVs is widely considered to be anachronistic and complex.

Although the term “taxi” is commonly used to describe both taxis and PHVs, they are licensed differently within a “two tier” system of regulation. In 2014, the Law Commission published a [final report on proposed reforms to taxi and PHV services](#) which summarised differences as follows:

Taxis can pick passengers up at ranks and be hailed. In legal terms, these activities are currently referred to as “plying for hire” and only taxis can engage with passengers in these ways. Private hire vehicles, on the other hand, can only be pre-booked through a licensed operator, and are not allowed to “ply for hire”.

Taxis can be pre-booked and can ply for hire, but may only ply for hire within the district for which they are licensed.

Prior to the *Deregulation Act 2015* in England and Wales a PHV could pick up or drop off passengers outside the area in which they hold a licence. However, sub-contracting could only take place between firms licensed in the same area. The Law Commission recommended that this restriction be removed. It also recommended removal of the legal requirement that driver, vehicle and operator be licensed in the same area.

This more liberalised approach proposed by the Commission would be accompanied by safeguards:

Under our recommended regulatory framework, licensing district boundaries lose much of their importance in relation to private hire vehicles. Although local authorities will continue to administer licences applied for in their area, they will do so on the basis of national standards, which they will have no discretion to vary. Once licensed, providers will be able to work across England and Wales and subject to enforcement action by officers of any licensing authority.

Section 11 of the UK [Deregulation Act 2015](#) allowed a PHV operator to sub-contract a booking to another operator who is licensed in a different licensing district. This was recommended by the Law Commission (recommendation 45). However, the change was introduced without the accompanying national standards and changes to the enforcement regime etc proposed by the Law Commission.

A [Local Government Association \(LGA\) publication on the Act](#) commented (emphasis added):

The LGA strongly opposed the clause [which became section 11] on the grounds that it had been brought forward **without the accompanying safeguards deemed necessary by the Law Commission’s review of taxi licensing.**

Taxi and PHV licencing and regulation were devolved by the *Wales Act 2017* earlier this year.

Welsh Government action

The Welsh Government consulted on [taxi and private hire vehicle licensing in Wales](#) between June and September 2017. A [summary of responses has since been published \(PDF 828KB\)](#). The purpose of the consultation was to consider the Law Commission's proposals. Key areas identified include proposals which would:

- Introduce “national standards for all taxis and private hire vehicles, set by the Welsh Ministers, with the power for local licensing authorities to set additional standards where it is appropriate to do so”; and
- “Make it easier for providers of taxis and private hire services to work across local authority boundaries and will give licensing officers new enforcement powers to deal with vehicles and drivers licensed in different areas”.

The summary of consultation responses said:

A key concern expressed by drivers and private hire vehicle operators during the consultation was the overcapacity in the market as the result of vehicles operating in the Cardiff area, licensed in neighbouring authorities. Drivers told us that in some cases, vehicles licensed in England, including London, have been witnessed operating in and around Cardiff.

The summary also indicated that “most respondents” supported proposals for national standards. On enforcement, 66% of respondents who expressed a preference suggested arrangements should be put in place to share information between licensing authorities to support better enforcement.

The Cabinet Secretary's letter to the Chair on this petition says that he will publish a White Paper this year with detailed proposals for reform. In contrast to the consultation document proposal, which refers to making cross boundary working “easier”, the letter continues:

Whilst my proposals will include new measures to limit out of area working, I will be including arrangements to improve out of area working where it is prudent and appropriate to do so. Once such example will be the need to increase capacity to meet increased demand when hosting major events.

National Assembly for Wales action

The Petitions Committee is currently considering petition [P-05-775 put an end to the cross border and sub-contracting taxi licensing loophole](#). This calls on the Welsh Government, in the light of its consultation, to:

put a stop to the 'cross border' and 'sub-contracting' loophole in the law which means hundreds of out of town taxis and private hire vehicles descend on Cardiff to work Private Hire.

Early in 2018 the Economy, Infrastructure and Skills Committee considered devolution of taxi and PHV licensing as part of its [New Powers: New Possibilities](#) short inquiry. This considered how the Welsh Government should use a range of transport powers devolved by the *Wales*

Act 2017. [On 17 January](#) the Committee took evidence from Taxi Drivers of Cardiff, local authority licensing officers and the GMB Union. Cross border taxi / PHV issues, enforcement and standards were discussed.

Summarising the evidence [in correspondence to the Cabinet Secretary \(PDF 742KB\)](#), the Committee said:

Cross-border hire / working (i.e. taxis licenced in one local authority working in another) is a major issue and needs to be addressed. Some suggested all journeys should start or finish in the area which issued a driver's taxi / PHV licence. Witnesses said currently Transport for London registered drivers are working in Cardiff, and 144 Uber drivers registered in Newport live in Cardiff.

The Committee also highlighted variation in standards across Wales and evidence suggesting that:

Enforcement is an issue due to the age of current legislation. Local authorities cannot currently enforce against a driver working in their area who is licensed in a different authority. Greater funding is needed to improve enforcement.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.