



## **Transport for London's plans for modernising and enhancing London's private hire industry**

### **Background**

Advances in technology and new business models have fundamentally changed the way in which the private hire industry operates in London – giving customers greater choice and convenience.

These changes have also led to the number of private hire drivers increasing from 59,000 in 2009/10 to more than 95,000 today. We estimate that the number of private hire vehicles (PHVs) circulating within the central London Congestion Charge zone has increased by over 50 per cent in the last two years – which means that 1 in 10 vehicles entering the zone is now a private hire vehicle. This is all contributing to wider challenges for London, such as growing traffic congestion, illegal parking and areas of poor air quality.

### **Regulations review**

We spent much of 2015 reviewing private hire regulations in London, including a 12 week public consultation that attracted over 16,000 responses. The proposed new measures, which will be put to the TfL Board for approval in March, will enhance standards of safety and customer service in light of the impact of new technology and the rising numbers of private hire vehicles in London. Key proposals include:

- A formal English language requirement for drivers
- Guaranteed fare estimates for customers in advance of their journey
- The provision of driver and vehicle details to customers, including a photo of the driver, before the start of each journey
- Private hire operators to ensure that customers can speak to someone in the event of a problem with their journey
- Even more robust 'hire and reward' insurance requirements
- Improved record keeping and real-time provision of driver and vehicle information to TfL to make enforcement even easier and more effective
- Altering the structure of licence fees paid by operators of different sizes to better reflect the costs of compliance and enforcement activity

A full list of all the proposals can be found at the end of this message.

## **Additional proposals**

As you may be aware, the Mayor has been pushing for legislation to enable TfL to restrict overall numbers of private hire drivers and vehicles. The Mayor believes that more must be done to address the congestion and air quality impacts of increasing numbers of PHVs, which now outnumber taxis in central London during the day. While the Government has been reluctant to pursue such legislation, the Mayor has asked TfL to investigate the impact and feasibility of removing the Congestion Charge exemption for private hire vehicles in central London, to tackle pollution and reduce congestion.

The Mayor has also secured a commitment from Government to progress separate legislation to enable TfL to regulate pedicabs, helping to tackle fare abuses prevalent among some pedicab drivers, while tackling the congestion they cause in central London, particularly in the evenings.

In addition, the Mayor and TfL are already taking action to improve service and safety standards in the trade, including:

- Introducing an enhanced topographical test for new private hire drivers, requiring drivers to demonstrate enhanced map reading abilities and English language comprehension
- Introducing a new complaints system so that customers can contact TfL if they have received poor service from a private hire company or driver
- Introducing mandatory disability equality training and other improved training for drivers

## **Next steps**

We will now undertake a further four-week regulatory impact assessment consultation on proposed changes to private hire regulations. The consultation will be promoted through the regular weekly email you receive from TfL, and the results will be put to the TfL Board - with final decisions being taken at the Board's meeting on 17 March.

Any change to the exemption for private hire vehicles would require a variation to the Congestion Charging Scheme Order which is subject to statutory consultation requirements.

Given that technology is continuing to evolve at such a rapid pace, further changes to the private hire regulations are likely to be needed in the near future. Therefore, TfL will keep the regulations under review to ensure that they keep pace with the changing industry and support a modern and thriving trade.

## **Full list of proposals from the private hire regulations review**

The full list of proposals being taken forward to the Board for decision following consultation is as follows. Each of these proposals received majority support during the formal consultation.

- Operators must have the facility to provide a booking confirmation to passengers containing the photo ID and details of the vehicle being used to discharge the booking, where passengers are able to receive that information
- TfL will no longer issue licence variations to private hire operator licenses to add a late-night or temporary event operating centre
- Operators will be required to provide specified information to TfL at specified intervals including details of all drivers and vehicles registered with them
- Operators must record the main destination for each booking before the journey commences
- Operators to retain all records for a period of 12 months
- TfL to control the names under which operators offer private hire services to the public
- Private hire drivers to be required to demonstrate a certain standard of English, with particular emphasis on ability on spoken communication - in line with the Home Office requirement for a qualification at either B1, B2, C1 or C2 level when applying for citizenship
- Individual licence applicants to provide National Insurance numbers to TfL
- A driver's private hire vehicle licence to be considered for revocation if their private hire driver's licence is revoked
- TfL will liaise with the Home Office to push for criminal record checks on private hire operator staff that have face to face contact with the public
- TfL to stop accepting payment for licence fees by postal order and cheque
- Drivers to carry or display a copy of insurance details at all times
- Introduce new operator licence fee structure to better reflect operator licensing costs based on operator size
- Amendment of regulations so no advertising is allowed to be displayed inside, from, or on the outside of a private hire vehicle
- Operators will be required to notify TfL before changing their operating model
- Operators must ensure that customers can speak to a real person in the event of a problem with their journey
- Private hire operators must provide an estimated fare prior to the commencement of the journey
- Private hire drivers will be required to have hire or reward insurance in place at all times while registered to an operator

The proposals that will be considered further are:

- Requirements for security measures for operators who use apps to allocate drivers to a fare to prevent the app being used by a person other than the licensed driver

- The feasibility of introducing a requirement for operators to indemnify their customers against any failing of their driver to provide hire or reward insurance
- The development of guidance in relation to ridesharing in conjunction with the Department for Transport



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