

**Report of the Assistant Director to the
General Licensing Regulatory Board
to be held on the 18 June 2014**

LAW COMMISSION REVIEW REPORT

1. Purpose of Report

The purpose of this report is to provide Members with an overview regarding a recent Law Commission review undertaken to address the law that governs how the taxi and private hire trade industry operates.

2. Background

Members are minded to note that the content of this report refers only to the various proposed reforms and does not in any way reflect the thoughts and opinions of this local authority.

3. Current Position

The review was undertaken to address the law that governs how the taxi and private hire trade industry operates as it is deemed to be old, inconsistent and struggling to deal with internet-driven changes in passenger behaviour.

In a report and draft bill published on 23 May 2014, the Law Commission recommends a number of reforms designed to update the law and make it clearer for those working in both industries and passengers alike.

The Commission's report recognises the value to passenger choice of the two-tier system of private hire vehicles, which must be pre-booked and taxis, which can use ranks or ply for immediate hire. It makes recommendations to retain and reinforce this distinction.

The new regime would also see the introduction of national standards for all taxis and private hire vehicles, set by the Secretary of State, with the power for local licensing authorities to set additional standards for taxi services only.

Local authorities would, however, remain responsible for the issuing of licences and enforcement in relation to both taxis and private hire vehicles.

The Law Commission states further recommendations made are designed to make it easier for providers of private hire services to work cross-border and equip licensing officers with new enforcement powers to deal with vehicles and drivers licensed in different areas. They also recommend tougher penalties on touting (actively soliciting customers), which include powers to inbound a licensed vehicle.

During the review consultation process, many stakeholders complained about vehicles operating at the fringes of a licensing, or outside licensing altogether. Pedicabs and novelty vehicles, including stretch limousines, are examples where the Commission is recommending to bring clearly within the scope of taxi and private hire regulation, such that they may be controlled as necessary. However, the Law Commission has taken the decision to retain the exemption that currently applies to both wedding and funeral cars under primary legislation.

Responses received during the consultation period were overwhelmingly in favour of maintaining quantity controls in respect of taxis and as such the Law Commission recommends that licensing authorities should retain the right to limit the number of taxis working in their licensing area. Restrictions on the numbers of taxis in some areas have led to inflated plate values. To protect the investment of existing drivers, the Commission recommends that the trade in licences should be allowed to continue. But, in areas where quantity restrictions are introduced for the first time, licenses should not be tradeable.

One of the key recommendations is the introduction of mandatory disability awareness training for all taxi and private hire drivers. Among the measures designed to improve the accessibility of services for disabled people, the Commission recommends licensing authorities to have the power to introduce a duty on taxis to stop when hailed. This will help address the problem of drivers passing a disabled person and failing to stop. In addition, it is recommended that licensing authorities should be required to review accessibility needs in their area every three years, and take accessibility

issues into account when installing taxi ranks. Furthermore, in order to help address the lack of accessible vehicles, the Commission recommends that the Secretary of State should have the power to require large operators (or dispatchers, as they would be referred under the new reforms) to meet certain quotas of accessible vehicles which must be available to them.

4. **Proposal**

The reforms recommended will hopefully clarify the legal distinction between taxis and private hire services and retain the valuable qualities of both. They will equip operators, drivers and their vehicles to meet the demands of a modern passenger-service trade, while making passenger safety and accessibility paramount.

5. **Background Papers**

None

6. **Officer Contact**

Kate Liddall

774258

