



# Department for Transport

Taxi and private hire  
stakeholders

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## **TAXI AND PRIVATE HIRE MEASURES: DEREGULATION BILL**

The purpose of this letter is to draw your attention to several changes to taxi and private hire vehicle (PHV) legislation which are being proposed by the Government. The changes affect the legislation which applies in England outside London and Wales.

Please cascade this letter to your membership and others with an interest.

The Government has introduced the Deregulation Bill as part of its drive to reduce the overall burden of regulation on business and individuals and cut 'red tape' during this Parliament. Ministers have identified for inclusion in the Bill three measures which are straightforward to make in isolation and which will generate significant benefits for the taxi and private hire trades.

The three measures which have been added to the Deregulation Bill are:

- (i) Allowing private hire operators to sub-contract bookings to operators licensed in a different district. This change will improve operators' ability to meet passengers' needs. And it will help to make the passenger's experience so much more convenient.

(ii) Allowing anyone with an ordinary driver's licence to drive a private hire vehicle when it is "off-duty". The principal benefit of this measure is that a PHV could be used as a family car, freeing up many families from the need to run a second car and saving them money.

(iii) Making the standard duration for all taxi and PHV driver licences three years; and five years for all PHV operator licences. Shorter durations will only be granted on a case by case basis, where it is justifiable for a particular reason. This will reduce the financial and administrative burden of having to make more frequent licence renewals.

Finally, we want to consider the case for Government involvement in the licence conditions set by local authorities. For the next three weeks, we are asking the taxi and private hire trades outside London to give us examples of conditions attached to their licences which they consider to be overly restrictive or unreasonable. We are often told about burdensome conditions attached to taxi and private hire licences, and we know that appealing against these conditions in the magistrates court can be a costly process.

We want to understand whether these are in fact unreasonable licence conditions.

We will then consider those examples and weigh up the case for changing the law in such a way as to qualify local authorities' powers to attach conditions to licences.

We have set up a survey facility to enable taxi and PHV licence holders outside London to provide examples of unreasonable licence conditions. Details of, and a link to, the survey are in the Annex.

Once we have received information about unreasonable licence conditions we will give licensing authorities the opportunity to explain why they consider the conditions to be important and necessary.

I would stress that whilst the information gathered in this exercise will help Ministers to make a decision about whether Government intervention is justified, we would carry out a consultation exercise before actually making any regulations.

The three measures described above, along with the possible fourth measure, represent the first steps of a longer journey towards a deregulated

trade; a journey which will be continued when the Government is ready to take forward the more comprehensive reforms being proposed by the Law Commission.

The Law Commission is due to publish its report and draft Bill at the end of April. The Government will then have a year in which to consider the report and prepare a response.

This timescale for considering the Law Commission's report means that there will not be time to take forward a dedicated Taxi Bill before the next General Election.

That is why these changes are being introduced using the Deregulation Bill.

The Deregulation Bill itself is being considered by Parliament and progress on the passage of the Bill can be found on the Parliament web-site at: <http://services.parliament.uk/bills/2013-14/deregulation.html>

I hope this is a helpful explanation of the latest developments.

Yours sincerely,

James Padden

## ANNEX

### **Taxi and private hire licensing – a call for evidence. Deadline 5 April 2014**

Are you a taxi owner or a taxi driver?

Are you a private hire vehicle owner, driver or operator?

Are you licensed by a local authority outside London?

Do you think that your licensing authority attaches unreasonable conditions to your licence?

If so, we want to hear from you.

The Government is considering the case for using legislation to intervene in the setting of taxi and private hire vehicle licence conditions by local authorities.

We want taxi and private hire licence holders (based outside London) to send us examples of conditions attached to their licences which they consider overly restrictive or unreasonable. We are principally interested in the standard conditions applied by a licensing authority to all licence holders of a particular category, though if you have unhappy about a personal condition then please feel free to include it.

So, if you have any such examples, [please complete the survey form by 5 April 2014](#).

It is quite simple and straightforward. You will be asked (i) what sort of licence you are referring to; (ii) what district you are licensed in; (iii) a description of the condition which you think is unreasonable; (iv) why you think the condition is unreasonable; (v) what sort of cost is being imposed on you in complying with this condition; and (vi) any other relevant information.

We will then collate all the examples and provide local authorities with several weeks to provide explanations or justifications as to why the conditions in question are important.

Using the information obtained from this exercise, we will then weigh up the case for taking forward some sort of measure which would qualify local authorities' powers to attach conditions to licences.

Please note that any information supplied could be released under The Freedom of Information Act 2000.

Buses and Taxis Division  
Department for Transport  
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