



Policy statement: Private hire services in London

Transport services are changing in London. In recent years a number of new services have entered the Private Hire Vehicle (PHV) market transforming the industry and changing the way in which people access these services. New technology has made it easier and cheaper to book rides through apps, resulting in a significant increase in the number of people opting to use PHV services in particular. One such change is the expansion of ride-sharing services in which passengers share vehicles and pay separate fares. There are an increasing number of services emerging in London that include ride-sharing which have the potential to influence further how people move around the city.

These trends have created challenges for transport authorities around the world, including how to apply existing licensing legislation, managing the impact of more vehicles moving around the city and ensuring a safe and secure service for all.

Legislation within this sector was introduced before such technologies were developed. Transport for London (TfL) recognises the need for clarity about what is required to ensure that standards are maintained and that services contribute positively to our strategic objectives for transport in London. This policy statement therefore sets out our expectations related to PHV services in London, including ride-sharing services.

Policy context – A new Mayor’s Transport Strategy and the Mayor’s Taxi and Private Hire Action Plan

The Mayor, Sadiq Khan, published his new draft Transport Strategy in June 2017. The Mayor’s Transport Strategy is the statutory document that sets out the Mayor’s policies and proposals for transport across London for the next 25 years.

The Strategy sets out a **vision for a healthier, cleaner, more sustainable city**. Central to this is the aim for 80 per cent of trips in London to be made on foot, by bike or public transport by 2041. This aim is set against a number of challenges. London’s population is anticipated to grow to 10.8 million by the end of the strategy with a corresponding increase in trips from 26.7 million in 2015 to 32 million in 2041. In addition, public transport services are becoming more crowded, congestion has been increasing and London faces significant challenges around worsening air quality and public health.

Improving safety and security across the transport network is the key priority for the Mayor’s Transport Strategy and the Mayor has set out a Vision Zero approach to safety on London’s streets whilst ensuring the transport system is safe and secure for all passengers.

The Strategy **applies the Healthy Streets approach** across the whole transport system. This sets out policies and strategies to deliver a healthier more inclusive city where people choose to walk, cycle and use public transport. Reducing people’s dependence on the private car is central to the aims of the strategy as is making more efficient use of limited street space available in London.



A **reduction in traffic** of about 10-15 per cent by 2041 is required to keep congestion in check while the city grows, while also achieving the aims of the strategy. In order to achieve these aims it is important to prioritise modes which use street space efficiently, and in planning, think about moving people, not vehicles.

The Strategy also sets out ambitious aims to **improve air quality and the environment**, including licensing only zero emission capable taxis from January 2018 and cleaner PHVs from 2020, with the aim for the entire transport system to be zero emission by 2050.

The Mayor's Taxi and Private Hire Action Plan was published in September 2016 and sets out a number of actions to ensure London has the best taxi and private hire services available. The Plan aims to create a vibrant taxi and private hire market, with space for all providers to flourish, while driving up the standards to improve safety and the quality of service offered to London.

TfL has already consulted on and implemented a number of changes, for example introducing a formal English language requirement for all drivers and requiring operators to provide a booking confirmation to passengers before a journey. We have also quadrupled the number of on-street compliance officers with 250 more dedicated officers on the streets of London.

We are also already considering proposals for consultation in relation to an advanced driving test, PHV operator fleet insurance and private hire vehicle signage. TfL is also considering the impact of removing the Congestion Charge exemption for private hire vehicles and, depending on the outcome of this work, this could be subject to a public consultation.

The Mayor is keen to ensure TfL remains a world leader in regulating taxi and private hire services for passenger safety, security, accessibility and convenience. Over the course of 2018 TfL will engage with taxi and private hire regulatory colleagues across the globe to further enhance our work and ensure appropriate safeguards are in place for the safety and security of Londoners and visitors to the capital.

I) The role of PHVs in London

The Strategy seeks '*to ensure that London has a safe, secure, accessible world-class taxi and PHV service with opportunity for all providers to flourish*' (Policy 18). It also seeks to ensure that this happens within the wider context of the Healthy Streets Approach and the vision for a healthier, greener, more sustainable city.

These services can expand travel horizons for those requiring safe, accessible travel options. They offer a convenient way of travelling around London and can improve access to certain areas of the city. They are particularly important to certain groups such as vulnerable adults and people with physical disabilities. In the evenings or late at night, they also offer a safe way of getting home, complementing Night Tube, Overground and Night Bus services. PHVs



are heavily used by the business community due to their comfort, convenience and privacy while travelling.

The new Mayor's Transport Strategy will directly influence what role PHVs have to play in different areas of the city. In central London, where 10 % of road space is occupied by PHVs, an increasing number of journeys will be made by foot, bike and public transport and more areas will be dedicated to being traffic free. Here, cleaner taxis and PHVs will still provide an important part of the transport mix for residents, tourists and businesses, particularly by improving accessibility. In inner London there will be an increase in the role of active and sustainable travel. Here, there is the potential for ride-sharing services to play a role to complement a reduction in private car use and ownership and help fill gaps in services. While in outer London there is a need to improve the public transport offering as an alternative to private car use. Here ride-sharing services could complement the existing transport network.

PHV services, including ride-sharing for PHVs, as well as Demand Responsive Transport (DRT) services, have the potential to play an important role in supporting mode shift away from the private car particularly in outer London.

3) The regulatory context in London

Private hire operators, drivers and vehicles are licensed under the Private Hire Vehicles (London) Act 1998. The 1998 Act enables regulations to be made which apply to PHV operators, however, these are not specific to the type of service the operator provides (e.g. minicab, ride-sharing, etc.).

The Transport Act 1985 extended the circumstances in which taxis and PHVs could be used to provide shared services and includes provisions specifically relating to ride-sharing using taxis or PHVs. Section 13 of the 1985 Act allows modifications to be made to the taxi and private hire codes. Ride-sharing schemes using taxis are already authorised by TfL under the 1985 Act, but further requirements and conditions can be introduced under the 1985 Act for ride-sharing services which use PHVs can be made.

A PHV may be used for the carriage of passengers at separate fares where all passengers book their journeys in advance and consent to shared use and payment arrangements at the time of booking. Advance booking of shared hiring does not involve standing or plying for hire and it is therefore open to PHV services as well as taxis.

4) Aspirations for PHV services including ride-sharing services

In light of the Mayor's Transport Strategy, therefore, this section sets out our expectations for private hire and ride-sharing services in London.

Existing operators and new entrants to the market that are applying the new technologies and operating models need to fully comply with existing legislation. Safety is the top priority for TfL and we closely consider an applicant's approach to safety when reaching a licensing decision for a London PHV Operators (PHV operators) licence. Safety will be a particular



focus in new or novel areas where there is little existing evidence of what happens in practice.

Beyond the existing legislation, we also call on operators of PHV services (and operators of taxi app-based and ride share services) to recognise the Mayor's wider ambition for a safe, active, sustainable and efficient transport network and to seek to adopt the approaches outlined below. This section also highlights where we will seek further regulatory change in future.

- **Improve safety and customer service**

PHV services, including ride-sharing operations, potentially pose challenges for passenger and driver safety. Maintaining high standards of safety is the top priority and operators should clearly demonstrate this. That means setting out clear policies and action for the prevention and reporting of offences and for clear, named accountability at senior management level for safety, reporting and protection of personal data.

Operators should give high priority and take appropriate steps to ensure the safety of their passengers but also for drivers themselves when dealing with difficult situations. This could include, but is not limited to, specific training for drivers, generally and tailored to ride-sharing services; and establishing processes for dealing with emergency situations.

Operators should clearly demonstrate how passengers can raise concerns about fellow passengers on shared services, or a driver can complain about specific passengers and have the support of the operator in investigating the complaint and taking appropriate action.

Operators should provide mechanisms to allow passengers to choose who they share vehicles with (e.g. women only vehicles) and establishing how passengers might be able to decide on this before accepting a ride.

All operators should have a robust process that not only ensures that all complaints are dealt with appropriately but also that any allegation of crime is reported to the police and TfL in a timely fashion to allow drivers who pose a risk to safety to be identified. Data should be held for a timeframe for how to ensure that any patterns of behaviour are recognised.

Operators should make someone available for customers to speak to during operating hours if they want to make a complaint or discuss other matters relating to their booking.

Hire or reward insurance must be in place for the use of all private hire vehicles with contingency insurance cover for ride-sharing and fleet insurance where appropriate.



Drivers should be able to demonstrate their professional driving skills to ensure the safe provision of private hire services.

Ensuring appropriate background checks for drivers is an essential part of the licensing process. A minimum three-year enhanced Disclosure and Barring Service check could provide reassurance that a full and comprehensive period of criminal history is available for consideration.

Support the Mayor's Transport Strategy

Policy 21 of the draft The Mayor's Transport states that the Mayor will manage new transport services so that they are efficient, healthy and clean guided by the following principles:

- Supporting mode shift away from car travel;
- Complementing the public transport system;
- Opening travel to all;
- Cleaning London's air;
- Creating a safe, attractive environment on our streets;
- Using space efficiently.

All services should seek to contribute to the efficient operation of the road network and avoid adverse impact on existing public transport services, in particular. TfL will undertake research to inform the development of future policy on these issues.

- **Enhance accessibility**

PHV services operating in the city should be accessible to all passengers. A minimum percentage of wheelchair accessible vehicles should be available to carry out private hire bookings. Consideration should also be given to specific types of vehicle that are appropriate for multi occupancy shared rides.

- **Sharing data with TfL**

Operators should share data with TfL, so that travel patterns in London and the overall impact of the services can be understood.

- **Improve driver conditions**

Operators providing PHV services should actively promote the welfare and working conditions of drivers.

Operators providing PHV services should ensure that drivers are treated fairly, ensure drivers have appropriate and reasonable working hours including appropriate breaks throughout their shift and have clear policies and procedures to keep drivers safe. We will seek to work with the industry to establish best practice guidance based on our work and experience to improve the terms and working conditions for transport workers such as bus drivers.



- **General operation**

It is important for TfL to be aware of any change in the delivery of PHV services and London PHV operators are under an obligation to inform TfL of any changes to their business model in advance. Innovators should actively seek to improve the professionalism and standards of conduct in the industry.

We are also considering signage in private hire vehicles to ensure that they are readily identifiable, that passengers know that they are licensed and regulated by TfL and can make contact to provide feedback or complain where appropriate.

5) Next steps for licensing PHV services

In light of the draft Mayor's Transport Strategy and the Mayor's Taxi and Private Hire Action Plan, current legislation for the licensing of PHVs as it stands, may require further change to ensure appropriate safety and security of passengers and licensing of services such as ride-sharing. In a recent consultation on PHV regulations there was broad support for exploring measures to ensure that private hire vehicles cannot be used for ride-sharing purposes in London unless there are very clear controls in place to protect the safety of passengers and drivers. To ensure that these services provide a safe, secure, accessible and sustainable contribution to London's transport system, we will consider making use of provisions in the Transport Act 1985 and the Private Hire Vehicles (London) Act 1998 to set regulations. We will consult on proposals to make changes to private hire legislation as appropriate. Views will be sought from stakeholders, other taxi and private hire regulators and the public in 2018.

As PHV services are rapidly evolving, and because we will be looking at how we regulate services going forward, licences for restricted periods of time only may be granted where operators are considered fit and proper and compliant with current licensing legislation. We may also set conditions aimed at ensuring the safety of passengers and drivers, and seek to obtain a greater insight on the operational experience as a future regulatory position is developed.

In parallel we are also looking at how demand responsive bus services, licensed through the London Service Permit, operate and will be seeking to achieve more consistency with PHV regulations. We will also seek to publish guidance jointly with the Department for Transport on ride-sharing in taxis and PHVs.