

Public Transport in Towns and Cities Build Environment Committee (House of Lords)

Local authority regulation of private hire and taxi drivers

March 2022

Written Evidence submitted by the Work Futures Research Group and Nottingham Civic Exchange. For further details see: <https://bit.ly/WF-DWPE>.

1. Executive Summary

- 1.1. This submission focuses on the employment and working conditions private hire and taxi drivers face across the UK. It builds on an in-depth study that included an international evidence review and an empirical case study of one UK Local Authority where the research team interviewed stakeholders from across the system. This submission responds to question five of the Inquiries Terms of Reference.
- 1.2. The team's research highlighted serious limitations in local authorities' powers and resources to regulate private hire transport effectively, leading to adverse consequences for passengers and drivers. Specifically, we identified:
 - 1.2.1. Private hire and hackney taxis play an important role in public transport.
 - 1.2.2. The absence of powers for local authorities to cap the total number of private hire licences they issue is enabling an oversupply of drivers, making it difficult for drivers to make a decent living and consequently creating pressure for drivers to illegally ply for hire, invalidating drivers' insurance and jeopardising passenger safety;
 - 1.2.3. Devolution of licensing standards to each local authority is combining with the ability for drivers in England to operate in local authorities outside the authority who issued their licence to create inconsistencies in standards and problems for enforcement;
 - 1.2.4. Inadequate funding for local authorities is severely undermining proper enforcement of regulations;
 - 1.2.5. The limited range of conditions that can be included in operator's licences is preventing local authorities from upholding decent working conditions,

with implications for the wellbeing of drivers and the standard of services;

- 1.3. This submission builds on this research to develop a series of recommendations that respond to question 5 in the Call for Evidence, focusing on the need to expand the powers and consistency of local authority regulation of private hire transport and to increase funding to enable this to be effectively implemented.

2. Summary

- 2.1. This submission builds on research and partnerships developed by Dr Tom Vickers and colleagues at Nottingham Trent University and supported by Nottingham Civic Exchange.
- 2.2. Since 2018, members of the [Work Futures Research Group](#) at Nottingham Trent University have been researching [working conditions for private hire and Hackney taxi drivers](#) in England.
- 2.3. The important and distinctive role of private hire and Hackney taxis was underlined by an interviewee from a student organisation that supports students on nights out, including making sure that those whose abilities are

“I don't think we could run without taxis. I think they are very important to what we do. We did discuss once upon a time about getting a van, like our own van ...but it was kind of like a pipe dream.... I think it's a lot stronger to not market ourselves as a singular group, but as an organization within this kind of community of organizations, and taxi drivers and taxi organizations form a very fundamental part of that. They are so beneficial and so important in that sense that I don't know how people would get home otherwise from nights out.... we've had times before where we have students who live in Sutton Bonnington and for some taxi drivers that's a long drive ...they don't really want to do that. But they will because, at the end of the day, they want people to get home safely as well. They want everyone to still be safe and for that I am really grateful to them and really appreciative of the work they do” (DWPE05, student organisation)

impaired by alcohol get home safely:

Other passenger groups with distinct needs include people with limited mobility should also be considered and supported. Given this situation, it is important that government adopts a sustainable approach to the sector, which must include sustainable conditions for its workers, to ensure that the different needs of passenger groups are recognised and supported.

- 2.4. We identified economic insecurity and precarious conditions among drivers, becoming worse over recent years, as illustrated by the following quotations

“I've been in the cab trade since 1990 and I was making more in say 1995 than I am now. My take home pay has decreased although the fares have gone up. Just because it's - the market basically is flooded.” (DWPE07, Hackney drivers' organisation)

“You could do one job in an hour; the minimum fare on Uber is £3, for you as a rider. Now the slice that Uber take is 25%; it's a big chunk, and so you're left with £2.25, and that's an hour's worth of work, minus your fuel, minus your running costs, insurance, road tax, etc.... Now, on a busy weekend you will probably make more than £10 an hour, before you take out your expenses, but you're still going to be hovering around that threshold. If you take it over a week, you find that you're actually falling below the minimum wage threshold.” (DWPE04, private hire drivers' organisation)

from stakeholders:

- 2.5. There was widespread agreement among interviewees that there is an oversupply of private hire drivers in Nottingham, and that this is making it difficult for both private hire and Hackney drivers to find enough work; it was suggested that the introduction of Uber's platform-based model has made this

“unlike Hackney cabs, we're not allowed to cap off the numbers [of private hire vehicles], either in terms of who we license or who operates on the streets and then when you have local operators that are particularly appealing to hire people [registered in other cities], it makes it even more difficult for us... the deregulation means that ... our estimate is we have about two-and-a-half thousand private hire drivers working on the streets in Nottingham every week. We have just short of two thousand drivers that are licensed with us and the rest of them are licensed elsewhere, but that's on an average week two-and-a-half thousand. It is absolute chaos out there ... it is very competitive. The operators do hold the whip hand in some regards, in many regards, and drivers can be at the end of a pretty difficult time.” (DWPE03, individual from City Council)

“Well to be honest in Nottingham ... there's too many private hire [drivers], basically. What should I say, and there's no control on numbers. So, to be realistic, there's not the work for them. But, you know, companies will take people on... So then, because there's so many private hire [drivers], they're basically acting as Hackney carriages and picking up shall we say fares that haven't been prearranged ... Because there's no restriction on their numbers and they flood the market... it's a free-for-all and we're the ones that have to suffer because effectively they're taking our business.” (DWPE07, Hackney drivers' organisation)

“a cap on private hire vehicles again might make it fairer; you're limiting the number of vehicles, there'll be more work for people, [and] more opportunity to probably make a living wage.” (DWPE06, individual from City Council)

situation much worse in recent years, but that the fundamental cause lies in weak regulation, as explained by the following quotations:

A perverse consequence of this is that oversupply may lead to drivers feeling the need to work longer hours in order to earn enough to survive, further increasing supply. Some stakeholders we interviewed also suggested that the economic insecurity resulting from this oversupply was putting pressure on some private hire drivers to illegally ply for hire (collecting passengers without a booking) which is a criminal offence, invalidates drivers' insurance, and puts passengers at risk.

- 2.6. Stakeholders reported that deregulation and devolution have combined to weaken the ability of local authorities to uphold standards:

“a change in legislation from 2015 Deregulation Act, which opened up the market to outside, to drivers licensed from other authorities, allowed cross-border working. The concept was okay in that if an operator was, couldn't resource jobs, they could go to another operator and bring somebody else in. However ... the legislation wasn't written particularly well, and it now means we've got drivers as far as [60 miles away] operating in the city over which we have no control. So that puts pressure on our licensed drivers because they've got the extra influx because we're a major city.... we have some control, we have cross-border delegations with some of the local authorities, but when it comes to setting the standards, we don't have any input. So [some authorities] operate older vehicles than ours, they only test them once a year where we test ours twice a year, if they're three years or older.” (DWPE06, individual from City Council)

- 2.7. In our case study of Nottingham, enforcement of standards among an estimated 2,500 drivers was left to just four officers, resulting in widespread reports among stakeholders of ineffective enforcement and tensions between

“We employ four uniformed officers that work nights, 8:00 at night till 6:00 in the morning ... Monday to Sunday. They have a uniform presence on the street.... They'll make sure that people are parking ... if they think that people are illegally plying for hire, etc., they will deal with those at the time. But they're also trying to keep customers safe, making sure they are getting into the correct vehicles, that they've got bookings, etc.” (DWPE06, individual from City Council)

“There's only four CPOs, and only two work at night; two will be on and two will be off.... If one is off sick or is on a bereavement or stress or any kind of reasons, the other one cannot go out on its own and two cannot maintain the city as a deterrent because it turns into a cat and mouse game and ... they try their very most but they don't have the resources to reprimand the regulars who abuse.... The solution would be ... more undercover operations happening more regular[ly], on a weekend ... the Council's always lacked ... resources ... they're not basically operating the standards to be honest with you and that [means] they need to review the policy and get a deterrent policy that will work” (DWPE02, Hackney drivers' organisation)

“considering how many private hire [vehicles] there are, there's not enough enforcement officers. And the point is, they can't put more enforcement officers [on the streets] because that money [from licence fees] is going to the other council [where an out-of-town driver is registered] rather than Nottingham City Council.” (DWPE07, Hackney drivers' organisation)

“Well, the licens[ing] authorities that we deal with, Nottingham City licence office, are doing their best but funding is not enough. So we hear that they don't have enough funds to put more officers on duty.... So, we feel that, if more officers were put on the streets regarding catching up illegal plying for hire then it would make [Nottingham] a safer city. We find many vulnerable people at night time, especially when they've had a drink; they just want to go from here straight home.” (DWPE08, Hackney drivers' organisation)

officers and drivers:

- 2.8. A further significant factor undermining this part of the public transport sector is the UK's regulatory framework, which rightly gives a high priority to the [safety and wellbeing of passengers](#) but makes no provisions for the [protection of drivers](#). Our interviews with key individuals in one UK local authority highlighted that making safe working conditions a requirement as part of private hire operators' licence would require changes to national legislation

"it's a conversation I have with private hire drivers quite a lot, which is, I absolutely understand their problems around the gig economy and stuff. But I'm the licensing authority. I'm not the legislative authority. I can't dictate terms and conditions to operators. I can't tell them to pay ...whatever. I mean, they have ...legal responsibilities, but I think the law's a bit complicated on this ...they do have a responsibility to pay the living wage but there are ways around that and I have no powers to do anything about that.... I can only measure it against the legislation. The primary thing is [that] they operate a safe business: they operate a business that doesn't put their passengers and the public at risk. And that's what the law tells me I have to do... Imposing and policing large operators, because that's what it'll mean, about their terms and conditions, is a bit beyond our scope anyway, it's not something we do we do anyway... well we might be able to do it if we increase our licensing fees to cover that sort of cost" (DWPE03, Individual from City Council)

and additional resources for monitoring and enforcement:

- 2.9. The full research report and a series of recommendation focused policy briefing papers can be found here: <https://bit.ly/WF-DWPE>.

3. Recommendations

- 3.1. Local authorities in England and Wales should be given powers to cap the total number of private hire licences they issue (as is already the case in Scotland);
- 3.2. Restrictions on cross-border operating, which were removed in 2015, should be reintroduced;
- 3.3. A consistent set of standards for licensing drivers and operators should be introduced across England and Wales;
- 3.4. The conditions of operators' licences should be expanded to include decent working conditions for drivers;
- 3.5. Funding for operators to fulfil their licensing role should be substantially increased.

4. About the authors

- 4.1. Dr Tom Vickers is a Senior Lecturer in Sociology and convenor of the [Work Futures Research Group](#). He has led research projects concerning working lives and human mobility, receiving funding from the Economic and Social

Research Council, British Academy and Leverhulme Trust. He has published research on mobility, work and employment in a range of internationally recognised academic journals.

- 4.2. Since 2018 Dr Vickers has led research into working conditions for private hire and hackney drivers. This involved an international review of literature and an empirical case study focusing on an English city in the East Midlands, which included interviews with a range of local stakeholders. This led to a written submission to the Department for Transport consultation on protecting passengers in April 2019 and to the Parliament Transport Committee Inquiry on 'Coronavirus: implications for transport' in September 2020. The project was supported by an interdisciplinary team that combined expertise on labour and mobility (Dr Tom Vickers), Human Resource Management and critical management perspectives (Professor Daniel King), reducing harm in the night-time economy (Dr Laura Garius), and precarious work in Nottingham (Sharon Hutchings). The literature research was conducted by David Dahill and Dr Dominic Holland.

- 4.3. [Nottingham Civic Exchange](#) is Nottingham Trent University's pioneering civic think tank. It supports the role of NTU as an anchor institution in the city and the region. Nottingham Trent University holds engagement with communities, public institutions, civic life, business and residents at the core of its mission.

Dr Vickers will be happy to discuss the details of this project at any future meeting of the committee. Contact: tom.vickers@ntu.ac.uk 07813 073846.