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White Paper

Taxi and Private Hire Vehicle (PHV) (Wales) Bill

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Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

Overview

We are seeking views on proposals for new taxi and private hire vehicle (PHV) legislation.

How to respond

- complete our [online form](#)
- download, complete our [online form](#) and email to TaxiBillConsultation@gov.wales
- download, complete our [online form](#) and post to:

Taxi and PHV Bill Consultation
National and International Connectivity Division
CCRA Economic Infrastructure
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information:

Taxi and PHV Bill Consultation
National and International Connectivity Division
CCRA Economic Infrastructure
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Email: TaxiBillConsultation@gov.wales

This document is also available in [Welsh](#)

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Welsh Government

Cathays Park

CARDIFF

CF10 3NQ

The contact details for the Information Commissioner's Office are:

Wycliffe House

Water Lane

Wilmslow

Cheshire

SK9 5AF

Tel: 01625 545 745 or

0303 123 1113

Website: <https://ico.org.uk/>

e-mail:

Data.ProtectionOfficer@gov.wales

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Foreword

Taxis and PHVs are a crucial element of sustainable transport systems. They can enable modal shift by filling gaps in public transport provision in a number of ways: often joining up with other transport modes and providing a service for the first and last mile of journeys; delivering services at times of day when other transport services are not available; or meeting demand where the provision of other forms of transport is not cost effective or practical, including rural areas. Taxis/PHVs are important to communities with low levels of car ownership. They also play a crucial role in school, social care and non-emergency patient transport where there isn't a suitable public transport alternative.

While taxi and PHV legislation has remained relatively unchanged for many years, the sector has modernised rapidly. This white paper sets out our plans for changing the legislation to deal with the most pressing issues, recognising that some things will need to be re-visited as the sector continues to evolve. The proposals are based on a consensus between partners but this is a genuine consultation and I welcome views from anyone with an interest.

The proposals will deliver on our Programme for Government commitment to legislate to modernise the taxi and private hire vehicle sector and address the problems of cross-bordering. They will bring about greater consistency through the introduction of national minimum standards for the licenced trade; improved enforcement powers for local authorities; and better information sharing between local authorities to ensure safety for passengers. I believe these proposals will help ensure the legislative framework is updated to keep up with an ever evolving sector and will cement the important role of taxis and PHVs in meeting our transport needs.

Lee Waters, MS
Deputy Minister for Climate Change

Introduction

The proposals set out in this white paper come against a backdrop of anticipated major changes to public transport services in Wales. In particular proposals to re-regulate provision of bus services so that public authorities can ensure that public transport networks are designed to optimise public benefit. These changes are aimed at delivering on our target of 45% of journeys to be by sustainable modes of transport by 2040 and at meeting Welsh Government's commitments to tackle climate change. The bus governance changes are accompanied by large-scale investment in Metro schemes around Wales to provide the benefit of 'turn-up-and-go' rapid transit networks.

Taxis and PHVs have an important role to play in terms of first and last mile of a journey and they are disproportionately important to people with mobility difficulties¹. Their flexibility means they have a key role to play in terms of modal shift to more sustainable transport means. But they can both alleviate and add to congestion problems depending on specific local situations – on the one hand taxis/PHVs can slow down buses, making them less desirable as a form of transport, whilst on the other they can be seen to improve situations by lessening the need for private vehicles on the road.

This white paper is being published at a time when all around the world the taxi and PHV sector is being transformed by technological advances, particularly through the advent of app-based ride-hailing companies. This transition to a more automated system will continue and the industry needs to be prepared for the changes ahead. Autonomous 'taxis' are already being trialled in various locations across the world. It is clear that in the long term, Welsh legislation will need to be capable of addressing the challenges as they emerge. This will include the transition to 'Mobility As A Service', where transport is shared and on demand. Nonetheless there are longstanding issues with the current legislative framework around taxi and PHV licensing that need addressing urgently in the interests of public safety, fairness and environmental concerns.

This white paper focuses on the legislative requirements needed to address those immediate concerns whilst recognising that this is part of an ongoing need to find ways to regulate an ever-changing landscape. Those immediate concerns, which have been identified in a number of reviews and consultations in this field are:

- the inconsistency across Wales in terms of licensing standards;
- the lack of enforcement powers to deal with drivers operating out of area; and,
- the lack of clarity around the distinction between taxis and PHVs and what they are allowed to do.

When we talk about taxi licensing, we mean vehicles that are driven by humans. The regulation and licensing of autonomous vehicles will be dealt with separately as the technology develops. We cover this in more detail later by means of a proposed definition.

¹ [Taxi and private hire vehicle statistics, England: 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicle-statistics-england-2022)

Our vision

Our vision for taxis and PHVs was published in Llwybr Newydd²:

We want a taxi and PHV licensing system that is fit for a modern Wales, promotes safety for passengers and drivers, contributes to a cleaner environment, improves the customer experience and is accessible by all.

In short, we want to ensure that Wales' taxi and PHV services are **safer, fairer and greener**.

This paper primarily focuses on delivering the elements that require legislation. But there are other issues that require a more co-ordinated approach such as how we ensure a reliable transport service is available in rural areas. Places with little access to rail or bus services are also likely to be poorly served by taxis or PHVs on account of the lack of steady and reliable demand for drivers and operators. It is clear that something needs to be done to help people in rural communities use their cars less and connect with their own communities more. This is why we have a cross-cutting delivery pathway covering our rural offer.

Summary of proposals

A brief outline of our proposals to change the taxi/PHV licensing legislation framework is set out below and is explored in further depth throughout this paper.

The core proposals for reforming the legislative framework are:

- The introduction of mandatory national minimum standards for drivers, vehicles and operators applied across Wales;
- Improved enforcement powers for local authorities. This will include provision for local authorities to take enforcement action against any driver or vehicle wherever they are licensed; and,
- Better information sharing between local authorities and better information for passengers.

The benefits of these proposals for taxi passengers, drivers/operators and licensing authorities are summarised below.

² [Llwybr Newydd A New Wales Transport Strategy 2021: full strategy \(gov.wales\)](#)

Proposal	Benefit
Retain the current two-tier licensing system of taxis and PHVs but introduce new definitions for them	<p>To treat taxis and PHVs fairly. As now, passengers will be able to:</p> <ul style="list-style-type: none"> • hire a taxi, there and then, in the street or at a rank; • pre-book a taxi or PHV; and, • have choice of providers when pre-booking <p>Definitions will help passengers understand the differences between taxis and PHVs and to make enforcement easier</p>
Introduce national minimum standards for drivers, vehicles and operators	<p>To help keep passengers safe, to improve service and to ensure fairness for people working in the industry</p>
Introduce powers for enforcement against drivers and vehicles licensed by another local authority	<p>To tackle rule breaking, local authority enforcement officers will be able to take action against any driver or vehicle wherever they are licensed</p>
Introduce fixed penalty notices for a range of offences	<p>To help improve standards for passengers and to improve efficiency for local authorities and the court system</p>
Introduce a national penalty points scheme	<p>To help local authorities to take action where a fixed penalty notice or other action is not appropriate but recognising that repeat infringements or an accumulation of minor infringements may require further action. This will help to maintain standards for passengers, even when a vehicle is working outside of the local authority area where it is licensed.</p>
Introduce cross-border hire safeguards between Wales and England	<p>To ensure the same standards of safety, vehicle quality and customer service will apply for all journeys in Wales and that the existing problems of cross-bordering are not simply moved across the border</p>
Improve information sharing between local authorities and with passengers	<p>To help keep passengers safe, local authorities will share information about licence applicants and licence holders</p>
Give Ministers powers to speed up the transition to zero emission taxis and PHVs	<p>To improve air quality and reduce carbon emissions.</p>
Introduce class B licenses for other types of vehicles	<p>To help keep passengers safe, local authorities will issue appropriate licences for non-standard/novelty vehicles</p>

Proposals

Retention of two-tier system

Many people outside the taxi and PHV industry do not understand the differences between taxis and PHVs. There are important operational differences as follows:

Taxi	PHV
<ul style="list-style-type: none">• can be hailed in the street• can use taxi ranks/stands• can be pre-booked• must have a meter and a fare table displayed	<ul style="list-style-type: none">• cannot be hailed in the street• cannot use taxi ranks/stands• must be pre-booked through a licensed operator

Advances in technology have blurred the distinction between taxis and PHVs. With app-based bookings, a vehicle can be available almost immediately meaning that a PHV can sometimes look as if it is operating like a taxi.

In its 2014 review of ‘Taxi and Private Hire Services’³, the Law Commission explored the possibility of removing the distinction between taxis and PHVs and having a one-tier licensing system. It considered that the distinction between the two types of vehicle is meaningful and recommended that it should be retained.

We agree with this recommendation and feel that taxis and PHVs fulfil different services and serve different customer bases. A passenger that is picking up a taxi by hailing it in the street or by going to a taxi rank has no choice in terms of the specification of vehicle or price. For this reason, the service provided to them needs to be of a consistent standard and they should expect consistency in terms of what they pay for the service which is what fares on a meter provide. Those that are able to pre-book, however far in advance, are able to compare prices, choose the type of service they need and benefit from competition between providers. Moving to a one tier approach would necessitate either under-regulation of one or over-regulation of the other. A change in approach would involve significant disruption to the trade and would not be welcomed either by the taxi trade or the PHV sector. We do not therefore see any reason to interfere in this longstanding approach but instead want to tackle what we see as the real issue – a blurring of the distinction between the two.

We propose to retain the current two-tier licensing system of taxis and PHVs, but ensure there is a clear and visible distinction between the vehicles to ensure they are instantly recognisable to the public and to indicate that taxis are available for immediate hire and PHVs must be pre-booked in advance.

³ [Taxi and Private Hire Services | Law Commission](#)

New definitions of taxi and PHV

We propose the following definition of 'taxis':

Motorised vehicles that are constructed or adapted with fewer than nine passenger seats, provided for there and then and pre-booked hire purposes with a driver, for the purpose of carrying passengers for commercial gain.

As now, taxis will be available for:

- 'there and then' hire (immediate hire) in the local authority area in which they are licensed, and
- pre-booking in advance within England and Wales

We propose the following definition of PHVs:

Motorised vehicles that are constructed or adapted with fewer than nine passenger seats, provided for pre-booked hire purposes with a driver, for the purpose of carrying passengers for commercial gain.

As now, PHVs will only be able to undertake pre-booked hire.

We propose to define 'there and then hire' as:

The hire of a taxi in person for immediate travel, by a hirer in the location of the vehicle; either on the street (including private land to which the public have access) or by hailing an available taxi.

We propose to define 'pre-booking' as:

The hiring of a taxi or PHV via an operator either at the operator's office, via the phone, internet or electronic device, for future travel. Taxis can also be pre-booked in person directly with the driver, but this cannot be done in a PHV where bookings are made via an operator.

When bookings are made digitally such as in the case of online booking apps there is currently a grey area around whether it is the driver or operator that actually accepts the booking. We propose that, where a private hire driver is approached by a potential passenger, the driver may direct the person to book via the appropriate operator and only when the operator has approved and recorded the booking may the passenger commence the journey. The driver may not accept a booking on behalf of the operator.

Question 1: Are the proposed definitions of taxis, PHVs, there and then hire and pre-booking appropriate? Please provide comments, including anything you think is missing from the definitions.

National minimum standards

What is the current situation?

Complaints received by local authorities indicate that passengers are not always satisfied with the standard of taxi/PHV services. Common complaints include cancelled bookings, taxi drivers refusing to take passengers, overcharging, drivers making inappropriate conversation and/or being rude to passengers or other road users and drivers being unwilling to accommodate the needs of disabled passengers.

Taxi/PHV licensing policies are different across Wales as each local authority sets its own licensing policies and conditions. This results in varying licensing requirements and standards across the country. For example, a driver licensed in one area may have to complete extensive training before obtaining a licence, while a driver licensed in a neighbouring authority may not need to do any training or the training may be low cost/free. Vehicle quality and customer service may also vary between areas. This may lead to a disparity in the suitability of vehicles to cater to all passengers in different parts of Wales.

What are we proposing?

We propose to enable the Welsh Ministers to set national minimum standards in secondary legislation. An applicant for a licence will have to meet all relevant national minimum standards for the application to be successful. Local authorities will be able to suspend, revoke and/or refuse to renew a licence if the licence holder subsequently fails to meet any of the relevant national minimum standards. National minimum standards will promote safety, customer service and enforcement. The standards will be supplemented by guidance for local authorities to allow them to carry out their licensing functions and to ensure the standards are met. For example, guidance may set out circumstances in which an overseas driver may be exempt from an overseas criminal records check and what alternative approaches to gathering relevant information on the individual should be taken.

There has previously been support from both the taxi/PHV industry and regulators for national standards. In response to a question in the Welsh Government's 'Improving Public Transport' white paper⁴ asking whether national standards should apply to all taxis and PHVs, 99% of respondents agreed that they should. Respondents felt that it would maximise public protection and ensure a consistent approach across Wales.

Question 2: Do you agree with our proposal to introduce national minimum standards which will apply to all taxis and PHVs in Wales? Please provide comments.

⁴ [Improving public transport | GOV.WALES](#)

Driver's licence standards

Currently, local authorities may offer separate taxi and PHV driver's licences with different licensing conditions for each and/or a dual driver's licence for both taxi and PHV. We believe that Local Authorities offering only a dual licence may be presenting an unnecessary barrier to those drivers who wish only to drive PHV. We also believe that this may be a reason for PHV drivers to be licensed in one local authority area but to work predominantly in another. Therefore, we propose that all local authorities will be mandated to offer all options to prospective licensees - separate taxi and PHV licences so that drivers may apply for one or the other as well as the option of a dual licence.

Question 3: Do you agree that local authorities should be mandated to offer separate taxi and PHV driver's licences as well as to offer the option of a dual licence? Please provide comments.

We propose applicants for a taxi/PHV driver's licence will routinely be expected to meet all of the following standards (except where exemptions apply):

- An enhanced DBS check, including barred lists (check conducted every 6 months once licensed using the DBS Update service)
- An overseas criminal record check (where applicable)
- Evidence of right to work in the UK
- A group 2 Medical check (required on first application and then at intervals dependent on the age of the driver)
- DVLA driver's licence check (required annually)
- Successful achievement of a regulated qualification (required every 6 years i.e. every other renewal), the syllabus for which will include: children and adult safeguarding awareness, Equality Act 2010 and disability awareness, mental health awareness, dementia awareness, Violence Against Women Domestic Abuse And Sexual Violence (VAWDASV) awareness, county lines awareness, trafficking awareness, customer service, taxi licensing legislation, conflict management, basic Welsh (how to greet passengers), data protection requirements, basic vehicle maintenance. Assessment will also cover basic literacy and numeracy skills
- For a taxi driver/dual licence, the theory test will also include basic information on running a business e.g. registering with HMRC, keeping accounts etc. This will not apply to applicants for PHV driver's licences only as they are likely to be employees of a PHV operator
- All applicants for a taxi driver/dual licence will be required to undertake a local knowledge test of the area. This will not apply to applicants for PHV driver's licences only as we feel that the pre-booking element and widespread use of digital navigation systems allows for effective route planning.

Question 4: Do you agree with the national minimum standards proposed for a driver's licence? Please identify any standards you think should be removed, changed or added.

Vehicle licence standards

We propose vehicles will be required to meet national minimum standards to demonstrate they are safe and suitable to be licensed taxis/PHVs. We propose applicants for a vehicle licence will routinely be expected to meet all of the following standards (except where exemptions apply):

- All proprietors to submit a basic criminal record check prior to their application (repeated each renewal) and where necessary an overseas criminal record check
- All taxis to display a roof light displaying only the words 'Taxi' and/or 'Taksi'.
- Roof lights not allowed on PHV
- All PHVs to display 'pre- booking only' signage
- Vehicles to be tested to an agreed testing specification
- Vehicle testing to be carried out at agreed intervals
- Vehicle age limits / emission requirements (with the possibility of exemptions for zero emission vehicles and/or wheelchair accessible vehicles)
- Taxi maximum rate of fares tariff to be displayed inside the vehicle with the licensing authority contact details
- All taxis to be fitted with a taximeter
- Vehicles driven by drivers that have medical exemption certificates issued under the Equality Act 2010 must display the exemption certificate, which will be available in English and Welsh as well as a tactile 'E'
- A standard vehicle criteria to be set detailing requirements such as minimum leg room, head height, seating width, luggage capacity etc. This will ensure that there is a range of suitable vehicles and new vehicles coming onto the market will not require additional approval as long as they meet the criteria
- Methods of payment that should be available
- Vehicles must carry a first aid kit

Question 5: Do you agree with the national minimum standards proposed for a vehicle licence? Please identify any standards you think should be removed, changed or added.

Operator's licence standards

Operators hold considerable amounts of private and personal data. To ensure that operators and their staff hold and use data safely they will need to be of suitable character and have the necessary skills to perform their duties.

We propose applicants for an operator's licence will routinely be expected to meet all of the following standards to demonstrate they are safe and suitable to be licensed (except where exemptions apply):

- A basic DBS check (repeated each renewal)
- An overseas criminal record check (where applicable)
- Successful achievement of a regulated qualification, similar to that for drivers (above) but also including basic information on running a business e.g. registering with HMRC, keeping accounts etc. This could also be extended to a requirement that at least one designated operational member of staff has achieved the qualification. Consideration could be given to sole operator-drivers undertaking less onerous training.
- Operators to ensure that all staff that have responsibility for taking bookings and dispatching vehicles have a basic criminal record check and must maintain records of such checks. Operators must have a policy in place for determining the suitability of their staff i.e. what criminal offences they would consider as 'relevant' and how they would assess applicants with criminal records.
- Operators to maintain a register of complaints and should publish details on how customers can make a complaint on any website, booking app or in any booking office. Operators must notify the licensing authority within 48 working hours of any dismissal of a driver in connection with unsatisfactory conduct with driving a taxi/PHV.
- Operators to provide a documented policy to the satisfaction of the licensing authority on how they will have regard for passengers with additional needs such as disabled passengers and unaccompanied children. Operators should also nominate at least one suitably trained member of staff responsible for overseeing continued compliance with this policy.

Question 6: Do you agree with the national minimum standards proposed for an operator's licence? Please identify any standards you think should be removed, changed or added.

Local standards

The 'Improving Public Transport' white paper set out how these national standards would represent a minimum threshold with local authorities able to introduce higher standards if desired. Given one of the main reasons for introducing national minimum standards is to create a level playing field and to avoid differences in standards which can lead to cross-bordering, any scope for local authorities to go beyond the minimum should be limited. Nonetheless we believe there are likely to be areas where this flexibility should be possible. One option would be to allow local authorities discretion to go above and beyond the national minimum standards in certain areas. For example, we are not currently proposing to mandate the use of CCTV in vehicles through national minimum standards but a local authority may wish to do so.

Question 7: Beyond the national minimum standards do you think local authorities should have discretion to have additional local standards/requirements for drivers, vehicles and operators in their area? If yes, what do you think these should cover?

- Mandating particular safety technologies
- Livery/branding
- Use of Welsh language
- Wheelchair accessible vehicles
- Vehicle emissions
- Other, please specify

Local licensing administration

We do not see any reason to move away from the local approach to licensing carried out by local authorities which has the benefit of local knowledge and understanding.

Our proposal is that administrative, decision making and licence issuing functions for taxi and PHVs will continue to be performed by local authorities. Applicants for taxi and PHV licences will continue to apply to the local authority where they mainly intend to work.

We propose that taxis will remain able to accept there and then fares in the local authority area in which they are licensed and to undertake pre-booked work anywhere. We propose that PHVs continue to undertake pre-booked work across Wales

Taxi and PHV drivers would be permitted to obtain a licence in more than one local authority area, although taxi/PHV drivers will continue to be allowed to undertake pre-booked work outside the area in which they are licenced. When working, a driver must display the relevant licence/badge to match that of the vehicle they are driving. Licensing requirements such as medical certificates, DBS certificates etc would not need to be repeated if local authorities improved their data sharing capability, as discussed below. But applicants for a taxi driver's licence would be required to undertake a local knowledge test in each area they apply to be licensed in.

A licence fee would still be payable to each local authority but the expectation would be that licences for additional areas would cost significantly less as they would only be expected to recover costs for any additional administrative tasks that had not already been covered in the area that the licensee was first licensed.

Question 8: Do you agree with our proposals for local licensing administration? Please provide comments.

Enforcement against drivers and vehicles licensed by another local authority

What is the current situation?

In its report, the Law Commission summarised enforcement powers under the current law as follows:

“Responsibility for enforcement of the taxi and private hire licensing regime lies with the licensing authority that issued the relevant licence. In particular, authorities have powers to suspend or revoke licences, or to refuse to renew them. Licensing authorities can also bring criminal charges against a suspected offender. Where breaches of licensing conditions also constitute offences, the police can also take enforcement action. Crucially, licensing officers are unable to undertake enforcement against vehicles, drivers and operators licensed in another area.”

Due to the age of the current licensing legislation and the fact it has not progressed with the industry, there are a number of grey areas in the legislation. As a result, enforcement can be ineffective and unnecessarily bureaucratic.

Presently, each local authority applies its own enforcement policy to taxi/PHV licensing. There are a range of enforcement options available to local authorities including: informal warnings, prosecution, licence suspension, imposition of penalty points and licence revocation.

These policy differences can lead to some inconsistency in how enforcement measures are applied across Wales.

What are we proposing?

It was identified in the responses to the *Improving Public Transport* white paper that a local approach is beneficial in terms of taxi licensing enforcement. We propose that regulatory and enforcement activities will continue to be performed by local authority enforcement officers.

However, under the current law, local authority enforcement officers are only able to enforce against licences issued by their own local authority. If a driver from another area commits an offence, enforcement officers are unable to take any action in respect of the offender’s licence. Unless that local authority has delegated powers from the area in which the offender was licensed, action is only possible in respect of criminal offences, by the expensive and time-consuming route of a criminal prosecution.

In line with the Law Commission's recommendations, we propose that local authority enforcement officers should be able to take non-criminal enforcement action against vehicles and drivers licensed outside their licensing area. To achieve this, we propose that enforcement officers will have the following powers in respect of any vehicle or driver licence issued in Wales:

- the ability to conduct inspections and request information;
- the ability to suspend licences with immediate effect where there is a risk to public safety, and to initiate a formal procedure in respect of enforcing conditions that do not present an immediate public safety risk (and which could lead to the suspension or revocation of a licence); and,
- the ability to issue fixed penalty notices.

To give effect to these powers, we propose local authorities will apply the following procedures.

Enforcement officers finding a breach of national minimum standards with taxis and/or PHVs operating in their administrative area but not licenced in their area, other than in situations warranting immediate suspension or revocation (discussed below) should be able to initiate the following procedure:

1. upon notice to the licensee and the area in which the licence is issued (known as the "home local authority") within 21 days of the infraction, the local authority in which the infraction is discovered could recommend an appropriate sanction; and
2. issuing such a notice would in turn trigger an obligation on the receiving (home) local authority either to impose the sanction (giving reasons) or explain its reasons for not doing so in writing (copied to the licensee) within 21 days.

Question 9: Do you agree with our proposal to enable local authority enforcement officers to propose a sanction against a taxi or PHV driver found to be in breach of a national minimum standard while operating in their administrative area but not licenced in their area? Please provide comments.

Where there is an immediate risk to public safety, enforcement officers should also have immediate powers to suspend licences issued elsewhere rather than recommend an appropriate sanction for the home local authority to consider. We suggest that where an authority other than the home authority takes immediate enforcement action based on an immediate risk to public safety, that authority should be under a duty to notify the home local authority within a shorter period than under the standard procedure discussed above, 14 days instead of 21.

The home local authority should have the power to reverse the decision to suspend the licence, or to confirm it, within a further 14 days, notifying the enforcing local authority and licensee, and providing reasons for its decision.

Question 10: Do you agree with our proposal to enable local authority enforcement officers to suspend a licence issued by another authority where there is an immediate risk to public safety? Please provide comments.

Fixed penalty notices

In order to reduce bureaucracy and make enforcement more cost effective we propose to introduce fixed penalty notices (FPNs) for certain taxi and PHV offences that are currently enforced by way of prosecution. FPNs can offer an alternative to prosecution and can save court time, as well as acting as an effective deterrent. We propose that local authority enforcement officers will be able to issue FPNs. Possible offences that we consider may be suitable for FPNs include:

- Failure to display/wear a driver's badge
- Leaving a taxi unattended at a taxi rank
- Failure to display licence plate or required signage
- Failure to comply with any requirement properly made by a local authority enforcement officer

We propose that financial penalties would be set nationally, initially at around £70. A discount could be applied for early payment.

We propose that anyone issued with a FPN would have the option to request to have the case tried in court. A case would also be tried in court where the FPN is not paid and the local authority which issued the FPN decides to proceed with the charges.

We consider that the income from the FPN should be retained by the issuing authority to assist with the cost of enforcement activities. This would also help address the balance in the cost of enforcement in areas that have high numbers of 'out of town' vehicles operating in their area.

Question 11: Do you agree that fixed penalty notices (FPNs) should be introduced for certain taxi and PHV offences? Please provide comments.

National penalty points scheme for taxi/PHV licence holders

Some local authorities already operate a penalty point scheme for the taxis and PHVs that they licence. These schemes vary from one authority to another and they do not allow a local authority to issue points to a taxi or PHV driver licenced by another authority. To further assist consistency and transparency, we propose to introduce a national penalty points scheme for licence holders. The scheme will be applied consistently by all local authorities in Wales. It will apply to infringements such as:

- Failure to carry a first aid kit
- Failure to comply with vehicle inspection requirements on time
- Cancellation of a pre-booked fare without a reasonable excuse

Under this scheme a fixed number of penalty points can be applied to a licence. This will allow the licence holder to continue to operate, until such time they accrue the maximum number of the penalty points within a given period; at which time the local authority licensing committee would decide whether the licence holder is 'safe and suitable' to continue to hold a licence. A right of appeal of the council's decision will continue to be to the magistrates' court. Penalty points would be removed from the licence after a specified time period.

The penalty point scheme recognises that licence holders can occasionally make minor errors, but repeated contraventions will be taken more seriously. More serious infringements would not be suitable for the application of penalty points, e.g. refusing a passenger with an assistance dog, inappropriate behaviour towards a passenger, overcharging a passenger and would continue to be dealt with by way of a hearing/legal action.

Question 12: Do you agree that a national penalty points scheme should be introduced for certain taxi and PHV infringements? Please provide comments.

Cancelled bookings

With increasing numbers of app-based booking systems available, a new practice of 'multi-apping' has emerged whereby drivers work for multiple operators at the same time. This increases drivers' chances of getting bookings.

Drivers may show themselves as available for hire on one app while having already accepted a booking on another app. This becomes a problem if a driver cancels the first booking in favour of a more lucrative journey offered by a different operator on its app. This practice can result in passenger journeys being delayed and/or cancelled. Passengers sometimes seek to counter this problem by booking the same journey across multiple apps and using the first vehicle that arrives.

Customer complaints about cancelled bookings are now common and we are concerned about the inconvenience, frustration and, in some cases, risk to passenger safety that can arise. However, solutions are not straightforward without significant intervention in the market. It may be that over time operators will modify their business models to address the negative consequences. If that does not happen, we may consider taking appropriate action either directed at driver behaviour or that of operators. Possible future options include:

1. Holding operators to account for cancelled bookings. Local authorities grant licences to operators in the expectation that they will fulfil the passenger bookings that they accept. We may wish to work with local authorities to take action against operators whose service falls below an agreed level.
2. Limiting drivers' freedom to use more than one app at once. For example, by requiring each vehicle to display the name of one company the driver will be accepting bookings through. Leeds City Council have a vehicle condition requiring the operator name to be written on the vehicle.

At this stage we are interested in gathering views on the desirability of taking action on this issue and the practicalities of options to address it. Each have their shortcomings and we would welcome thoughts on alternative solutions.

Question 13: Do you think that there is a need to address the negative consequences of 'multi-apping'? If yes, which option, including any suggestions of your own, do you think would be most effective. Please provide comments.

Cross-border hire – England and Wales

What are the current issues?

We have some concerns that PHV drivers may look to obtain licences in parts of England (where standards may be lower) and then mainly carry out pre-booked work in Wales. This could occur vice-versa if the licensing standards in England were to change. We do not wish to stop legitimate journeys that cross the border between Wales and England such as airport runs, merely we seek to prevent drivers predominantly working in Wales when licensed in England where there are differing licensing standards.

What are the options for improvement?

Option A:

Our preferred method to address this approach would be to introduce a legislative requirement that PHV operators/drivers/vehicles who undertake bookings wholly or mainly in Wales must be licensed in Wales and therefore meet the Welsh national minimum standards. This would mean that operators licensed in England could undertake bookings that take place wholly in Wales or that start and/or end in Wales without needing to be licensed in Wales, as long as they mainly undertake bookings in England. For example, under this approach an operator based in Chester (licensed by Cheshire West and Chester Council) could undertake a PHV booking that starts and/or ends over the Welsh border in Flintshire without requiring a licence in Wales, as long as the operator's bookings mainly take place in England. It may be challenging to determine where the majority of an operator's journeys take place but we feel this is the fairest approach, providing flexibility to operators close to the Wales/England border.

Option B:

Another approach would be to introduce a legislative requirement that any PHV journey that starts and ends in Wales must be undertaken by a driver, vehicle and operator licensed in Wales, who must therefore meet the Welsh national minimum standards. For example, under current legislation a private hire journey taking place between Monmouth and Newport could be carried out by driver, vehicle and operator licensed in Bristol. Under option B this would not be permitted as the journey would have to be booked via an operator, driver and vehicle licensed by a Welsh local authority. However, if the journey started in Newport and ended in Bristol, then the journey could be carried out by an operator/driver/vehicle licensed in Bristol, as only the start of the journey is in Wales.

Question 14: Do you agree that option A is the best means to address concerns about cross-border hire between Wales and England? Please provide comments, including practical considerations and/or other options which you believe to be better.

Better information sharing

Both the Department for Transport's Task and Finish Group on taxi and private hire vehicle licensing⁵ and the Law Commission recommend that better information sharing between licensing authorities would enable stronger enforcement.

Currently each local authority has its own database. This arrangement does not allow local authority enforcement officers to have all necessary information on licence holders licensed by other local authorities that may be operating in their area. Therefore, we agree that better information sharing between local authorities would be beneficial for enforcement.

Local authorities are currently required to hold public registers of licensed drivers. These are either held as physical copies or are held digitally.

We propose to explore how best to enable information sharing between local authorities and how best to make relevant information available to passengers and others with an interest. We will gather, organise and understand user requirements before evaluating options for improvement.

Sharing information about licence revocations and refusals

The national register of taxi and private hire licences revocations and refusals (known as the NR3 register) provides a practicable way for licensing authorities in the UK to check if an applicant has had a licence revoked or refused elsewhere and is an important tool in determining the suitability of an applicant.

The Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Act 2022⁶ will impose a statutory duty on licensing authorities in England to record information about licensing decisions such as the refusal, revocation and suspension of licences in a licensing information database. There is also a statutory duty for local authorities to undertake a search of the database for any relevant information on licence applicants. The act only applies to England, although English licensing authorities are still obliged to share and request any relevant information on the database with licensing authorities in Wales.

The majority of licensing authorities in Wales are actively using the NR3 register on a voluntary basis in the licensing process. We propose this should be a mandatory requirement in Wales as in England. This is to maximise public safety and to ensure that unsuitable individuals do not obtain a licence in Wales.

Question 15: Do you agree that use of the NR3 register in the driver licensing process should be mandatory in Wales? Please provide comments.

⁵ [Taxi and private hire vehicle licensing: steps towards a safer and more robust system \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

⁶ [Taxis and Private Hire Vehicles \(Safeguarding and Road Safety\) Act 2022 \(legislation.gov.uk\)](https://legislation.gov.uk)

Transitioning to zero emission vehicles

What are the current issues?

By filling gaps in the public transport network and providing an alternative to car ownership, the taxi/PHV industry can make a contribution to achieving net zero. This is particularly true when the vehicles used are zero emission at the tailpipe.

Diesel engines tend to be more fuel efficient than petrol, so are a popular choice as taxi/PHVs tend to undertake high annual mileage. Unfortunately, they are also more polluting. Over the past few years there has been an increase in the number of hybrid vehicles licensed in Wales, but there are currently very few licensed zero emission vehicles (ZEVs).

The Welsh Government has committed to reach 'net zero' greenhouse gas emissions by 2050 to tackle the climate emergency. Its strategy Net Zero Wales – Carbon Budget 2 includes the commitment to a zero emission taxi and private hire vehicle fleet by 2028.

The Welsh Government has also committed in its Clean Air Plan⁷ to reducing harmful emissions of Nitrogen Dioxide and particulate matter often caused by transport.

Reducing harmful emissions from vehicles has a positive effect on both the environment and public health. Taxis and PHVs are usually high mileage vehicles and often operate in urban environment with poor air quality so switching these vehicles to zero emission would be beneficial. The presence of electric taxis and PHVs on our streets could also be a powerful motivator for other motorists to make the switch to ZEV.

What are we proposing?

The purchase cost of ZEVs is currently significantly higher than that of conventional petrol/diesel vehicles, and considerably higher again for wheelchair accessible vehicles. It is likely that as manufacturers start to offer more zero emission options, the price of these vehicles will start to reduce, and a second-hand market will start to emerge. There are also potential long term financial savings:

- Electric vehicles typically cost only 8 pence per mile, as opposed to around 14-22 pence per mile for a diesel taxi⁸.
- Due to less moving parts in electric vehicles, maintenance costs are reduced by up to 50%⁹.
- ZEVs are exempt from Vehicle Excise Duty (road tax) until March 2025¹⁰

⁷ <https://gov.wales/clean-air-plan-wales-healthy-air-healthy-wales>

⁸ [Advisory fuel rates - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/advisory-fuel-rates) From 1/12/22

⁹ [Electric vehicle owners spending half as much on maintenance compared to gas-powered vehicle owners, finds new CR analysis \(consumerreports.org\)](https://www.consumerreports.org/electric-vehicle-owners-spending-half-as-much-on-maintenance-compared-to-gas-powered-vehicle-owners-finds-new-cr-analysis/)

¹⁰ In his Autumn Statement 2022 the Chancellor of the Exchequer announced that the UK government will introduce Vehicle Excise Duty on electric cars, vans and motorcycles from April 2025 [AUTUMN STATEMENT 2022 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/106444/autumn-statement-2022.pdf)

- ZEVs are exempt from charges in Clean Air Zones or other Low Emission Zones

One way to accelerate the change to cleaner vehicles may be for Welsh Ministers to set in legislation a deadline for all taxis and PHVs licensed to operate in Wales to be zero emission at the tailpipe. This would ensure that the industry had a clear deadline to be working to. From that point, national minimum standards would prohibit petrol and diesel vehicles. Such a deadline would need to take into account the availability and price of vehicles and the likelihood, scale and nature of incentives for those purchasing or leasing vehicles.

Alternatively, Ministers could set a legal age limit for taxis and PHVs which are not ZEV. Together with the UK Government's commitment to end the sale of new petrol and diesel cars by 2030, this would lead to a gradual transition to ZEV taxis/PHVs. Consequently, the cost of the transition may be spread over a longer period. Older vehicles which had been converted to be zero emissions at the tailpipe could be exempt.

Question 16: Do you think that Welsh Ministers should take action to accelerate the transition to ZEV taxis/PHVs? If yes, which of the following options would you prefer? Please provide comments.

- a. set a deadline for all taxis and PHVs to be zero emission at the tailpipe
- b. set an age limit for vehicles which are not ZEV
- c. do something else

Class B licences for other types of vehicle

We propose that vehicles (that have less than 9 passenger seats) provided for commercial gain, other than taxis/PHVs (as described above), will require a Class B licence to undertake taxi or PHV activities. These will include motorised and non-motorised vehicles that are not used for general taxi/PHV services and usually only used on special occasions such as parties, or by tourists. These vehicles would not be able to meet all of the proposed national minimum standards for vehicles, for example the passenger headroom, seating width or luggage capacity in a pedicab is unlikely to meet the requirements set under the national vehicle standards. We propose that the classification of Class B vehicles includes

- a. Novelty vehicles
- b. Classic and speciality cars
- c. Limousines that have fewer than 9 seats
- d. Horse and carriage
- e. Motorised tuk-tuks/rickshaws,
- f. Non-motorised pedi-cabs
- g. Vehicles solely used for VIP/executive hire
- h. Specialist vehicles solely used for community/school transport

We propose that the national minimum standards will not apply to these vehicles, but that special standards for class B vehicles will be set in regulations. This would allow them to operate either taxi or PHV activities i.e. to accept there and then hire or pre-bookings.

Question 17: Do you agree with our proposals for Class B vehicles? Please provide comments.

Draft regulatory impact assessment

We have published a draft regulatory impact assessment (RIA) alongside this paper. The RIA aims to assess the evidence about the costs and benefits of delivering a taxi and PHV licensing system that is fit for a modern Wales.

Question 18: Do you have any comments on the draft Regulatory Impact Assessment published alongside this paper?

Question 19: Is there any data that you would be willing to provide to help in the development of this RIA?

Welsh language

Question 20: We would like to know your views on the effects that the proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Question 21: Please also explain how you believe the proposals could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Other Issues

Question 22: Are there any other issues you would like to raise about taxi and PHV licensing?