

REVIEW OF THE IMPACT OF THE REPEAL OF THE PRIVATE HIRE VEHICLE CONTRACT EXEMPTION

It is 'Government Policy' to review the impact of legislation, post implementation, to establish the actual costs and benefits of the policy and whether it has had the desired effects. In line with this, the Department for Transport's IHPC (DfT's In House Policy Consultancy) undertook a review of the impact of the Repeal of the Private Hire Vehicle Contract exemption.

Whilst we were delighted that our campaign to close loopholes and bring everyone who should be in scope for licensing onto a level playing field, we seek the implementation of these good regulations nationally and consistently.

The LPHCA has therefore frankly responded based on feedback from Members at our many meetings, as well as from emails and telephone conversations.

ABOUT US

- 1.1 Please tick if your members' operation area is in a rural area, urban area or London.
Rural Urban London (Predominantly)
- 1.2 Please tick one box from the list below that best describes you/your company or organisation.
PHV Representative organisation
- 1.3 Please explain briefly your role in relation to the provision or use of Private Hire Vehicle services.
We interface between 200 Private Hire Operators, 15,000 to 20,000 PHV drivers, the travelling public, politicians, government and regulators
- 1.4 Did your members operate under the contract exemption prior to repeal?
Yes
If yes, please explain briefly how their operations were monitored and whether checks were made on vehicles and drivers.
Some were monitored and some had checks made on vehicles and drivers but some were not, which is why changes were needed
- 1.5 Please explain briefly the type of operation that they undertook, including whether public sector or commercial.
Local Authority, NHS, Public, Private, Local Government, Tourists – public sector and commercial

IMPACT OF REPEAL

- 2.1 What has been the impact on your members?
Generally very well received but the lack of enforcement remains a very big problem
- 2.2 What steps have been taken to address this impact?
Some Companies and Drivers previously operating unlicensed are now licensed but Local Authority inadequacies and lack of will to enforce and prosecute make it viable for unsafe and unregulated activity to continue
- 2.3 The Regulatory Impact Assessment prepared by the Department for Transport made assumptions about additional costs for phv operators, who were no longer exempt. These are set out below, on a national basis. Do you think these assumptions were reasonable?
Operator licences 300 applicants x £400 fee £120,000
Driver licences 2000 applicants x £250 fee £500,000
Vehicle licences 2000 applicants x £200 fee £400,000
Yes
- 2.5 Have they incurred additional costs as a result of the repeal of the Private Hire Vehicle Exemption? Please give brief details.
The costs and durations are too varied to include but are of course available from individual local authorities. Basically they represent the reasonable & fair costs of licensing and its management but of course those not in the system continue to leave an unsafe and unfair playing field.
- 2.6 Please explain briefly the nature of their licensing regimes.
Random and inconsistent Local Authority Licensing, interpretation and enforcement.

- 2.7 To what extent did local authorities keep you and your members informed and involved about this change in the law?
In London TfL kept us well informed via the Public Carriage Office.
- 2.8 Have you used the Department's guidance note to inform your discussions with Local Authorities?
No
- 2.9 Are you aware of any operators which have stopped providing services as a result of the repeal of the exemption?
Yes
If yes, in your view, why have these operators stopped?
Proper enforcement and interpretation of the new requirements
- 2.10 Who do you think has been most impacted?
Marginal Operators (including those who were previously exempt) / Voluntary bodies
- 2.11 Do you think there has been a disproportionate impact?
No

OBJECTIVE OF REPEAL

- 3.1 The objective of the repeal was to eliminate the risk to public safety. Were you aware that this objective was behind the repeal of the contract exemption?
Yes
- 3.2 In your view, were there issues of public safety before the repeal of the exemption?
Yes
If yes, please give brief details of the main public safety issues arising.
Passengers being taken for reward are entitled to expect that the Company or entity they are booking with has safe and regulated drivers and vehicles. Prior to this regulation drivers and commercial entities were able to lawfully avoid licensing by what was clearly a loophole.
Clearly a driver taking passengers for reward who was medically unfit or unacceptable due to serious criminal activity was wrong. All vehicles need to be appropriately licensed and checked for obvious safety reasons.
- 3.3 Do you think the objective of eliminating the risk to public safety has been achieved?
No
Please give your reasons.
Considerable activity remains undertaken by unlicensed entities, which can be found very quickly on the internet in particular.
Local Authorities continue to enforce in a random manner and whilst this remains the case Public Safety is compromised and entities licensing correctly are commercially and morally disadvantaged.
- 3.4 Do you think DfT should learn lessons from this policy change?
Yes
Please explain.
The regulation is good but needs to be backed up by appropriate enforcement by Local Authorities.

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DfT giving guidance is simply not good enough. It is not reasonable for a complying operator and or drivers to be in the system and subject to its cost and requirements, whilst others remain outside it compromising safety and being rewarded with fewer costs!

There needs to be a mechanism where Local Authorities failing in the responsibilities to regulate are brought to task. Some simply warn and accept an application to licence, which is inevitably granted.

This is of no comfort to those who pay to be licensed, are subject to all manner of rules and regulation, in most cases they are likely to be prosecuted for failing to comply.

GENERAL

4.1 If there are any other comments you would like to put forward to this review that we have not covered in the questions in Parts 1-3, please give these below.

Illegal activity remains the main source of worry and irritation to those licensed.

Fashion shows, air shows, Wimbledon, the Chelsea Flower Show, sports and other events all throw up considerable unlicensed passenger transport (for reward) activity.

The Olympic Games could potentially offer opportunities to those who are not complying. The terrorist risk could be substantial so DfT must take seriously the lack of basic compliance that the regulation rightly addresses but is not being enforced by all Local Authorities.

We would like to seek DfT guidance including DfT's Best Practice followed up by an assessment of enforcement and Local Authority duty of care in delivering enforcement.

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