

**Private Hire Regulations Review:
Integrated Impact assessment
Proposals Review and Impacts
January 2016**

Contents

Introduction	1
Proposals	2
Part 1: Private Hire Operators.....	2
Part 2: Private Hire Drivers	11
Part 3: Private Hire Insurance.....	15
Part 4: Private Hire Licensing	17
Additional Items.....	20

INTRODUCTION

Transport for London (TfL) is carrying out a wide-ranging review of private hire regulations. Detailed proposals were published for consultation in September 2015 and that aspect of the consultation closed on 23 December. On 20 January 2016 we gave a preliminary indication of which proposals we intend to progress. However, decisions on which proposals to be implemented, if any, will be taken by the TfL Board in March.

As part of the consultation process, Mott MacDonald, an independent consultancy, has assessed the impacts of the original proposals and we are now publishing this assessment and inviting any further comments.

To assist in this review, this document presents a summary of the original proposals, summary findings from the September consultation, the findings from Mott MacDonald's Integrated Impact Assessment and the latest proposals which were announced on 20 January 2016.

The consultation, together with the Integrated Impact Assessment document, is available at consultations.tfl.gov.uk/tph/private-hire-proposals-ia

PROPOSALS

PART 1: PRIVATE HIRE OPERATORS

1. Operators must provide a booking confirmation to passengers containing the driver photo ID and details of the vehicle being used to discharge the booking

Original proposal

We proposed that the information to be provided would be the vehicle registration number and the name and photograph of the driver. Clearly the method by which the operator provides this information is dependent on the means by which the customer can receive it. For example, if the customer is using a mobile phone without smartphone technology then it would not be possible to send the driver photograph. However, the proposal is that operators must ensure they provide all passengers with sufficient detail about the driver that is undertaking the booking and the vehicle that will be used.

Summary of consultation responses

The proposal received widespread support across the industry and particularly strong support from customers and customer groups.

Summary of Mott MacDonald Integrated Impact Assessment findings

This has been assessed as a moderate beneficial impact to passengers for health and equality, improving passenger perceptions of safety and reducing the risk of using unlicensed vehicles, delivering long term benefits by a range of different equality groups.

The scale of the business and economic impact to PHV operators will be felt differently across the market with a minor adverse impact to operators offering digital bookings and a moderate adverse impact to operators offering phone or office based bookings.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal for operators to provide this information to customers who are able to receive it.

TfL will work with the trade to explore more detailed implementation and any phasing required to take into account current technology available to smaller operators.

Having these details would reduce the risk of a passenger getting into the wrong vehicle, possibly with an unlicensed driver, and will help to deter illegal touting or plying for hire. It allows for very simple, but effective, safety messages to the public so they look out for this booking confirmation, and check the details, before entering the vehicle. Many operators have the facility to do this already, but this change would make it compulsory for all operators.

2. Operators must provide booking confirmation details to the passenger at least five minutes prior to the journey commencing

Original proposal

We proposed changes to the PHV Regulations that would require operators to ensure that there is a time interval between a booking being accepted and the commencement of that journey to allow the driver and vehicle information to be communicated to passengers. The proposed specified time interval was five minutes.

Summary of consultation responses

There was strong and widespread opposition to this proposal from customers and the business community, as well as from the main Taxi trade organisation and the Private Hire trade.

Summary of Mott MacDonald Integrated Impact Assessment findings

This has been assessed as a moderate adverse impact to health and equality impacts for passengers and minor adverse impact to drivers. A major adverse impact was assessed for operators offering digital bookings only, whilst this proposal was assessed to have a moderate adverse impact on all remaining operator groups.

Latest position (announced on 20 January 2016)

We do not intend to proceed with this proposal.

3. Operators will be required to seek TfL approval before changing their operating model

Original proposal

We proposed to amend the PHV Regulations to require operators to inform TfL prior to implementing specified changes to their operating model.

Summary of consultation responses

While there was some support for this proposal, business groups and parts of the PHV trade raised concerns as they felt it discouraged innovation and would prevent a better service for Londoners. Amongst those supporting the proposal a number thought that this proposal should be applied in a proportionate way so as to minimise the impact on business.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal could result in delays to operators from across the industry seeking to develop their model and respond to passenger demands and has therefore been assessed as having a moderate adverse business and economic impact to PHV operators.

Latest position (announced on 20 January 2016)

We intend to proceed with an amended proposal, requiring operators to inform TfL of changes to their operating model prior to implementation.

This amended proposal will ensure that TfL, as the regulator, will be able to determine whether the new operating model is compliant with Private Hire Legislation in the interests of passenger safety. It will help licenced operators ensure that they remain within the regulatory and legislative framework and within the terms upon which their licence was granted. TfL carry out appropriate checks before licensing an operator and are proposing to carry out the same due diligence ahead of any substantial changes to the way they operate.

This amended proposal will mitigate the impacts identified in the IIA conducted by Mott MacDonald by providing TfL with oversight of any proposed new operating model without causing unnecessary delays to operators who wish to develop their operating model. This will still ensure compliance with legislation.

4. Security for app based booking platforms

Original proposal

To prevent unauthorised use of apps, we proposed to make it a requirement that app based platforms could demonstrate during pre-licensing checks and compliance inspections, appropriate security measures to prevent the app being used by a person other than the licensed driver they are allocating bookings to. We also proposed to require operators to demonstrate what security measures they have in place to protect passengers from fraudulent use of their accounts and/or personal data.

Summary of consultation responses

This proposal was strongly supported by customers and customer groups.

Summary of Mott MacDonald Integrated Impact Assessment findings

The health impact for passengers is assessed as being moderate beneficial with a minor beneficial equality impact on passengers. Business and economic impacts are assessed as moderate adverse to PHV operators offering digital bookings. Mott MacDonald has identified opportunities to mitigate impacts and enhance the impacts of this proposal.

Latest position (announced on 20 January 2016)

We will not seek to make an immediate change, but will work with the trade and technology industry during 2016 to develop any necessary security solutions.

It is important that where a licensed operator uses an app based platform, bookings must only ever be allocated to licensed drivers. TfL will explore options to ensure that where operators use app-based platforms, that these are safe and secure and cannot be fraudulently used.

5. Operator must offer a facility to pre-book up to seven days in advance

Original proposal

We proposed to amend the PHV Regulations to require licensed operators to offer the facility for customers to book a journey up to seven days in advance of that journey.

Summary of consultation responses

The majority of consultation respondents did not support this proposal, with users in particular saying there are numerous Private Hire operators in the market who provide this facility already, so there was no need to make it a mandatory requirement for all operators.

Summary of Mott MacDonald Integrated Impact Assessment findings

The equality impact for passengers has been assessed as minor beneficial as it could make it easier for passengers to plan their journey in advance, this may deliver disproportionate benefits to disabled passengers, particularly given that there are a relatively small number of fully accessible PHVs.

The business and economic impact was identified as major adverse for operators offering digital only bookings as it would require a change to the operating model. A minor adverse impact was also identified for all other operator groups due to loss of market share in offering this service.

Latest position (announced on 20 January 2016)

We do not intend to proceed with this proposal.

6. TfL proposes to no longer issue licenses for in-venue operators or temporary events

Original proposal

We proposed to no longer issue operating licences in respect of in-venue operations and for temporary events.

Summary of consultation responses

This proposal received mixed support with a majority of respondents supporting the proposal including Westminster City Council, which is where a significant number of in-venue operations are located. However there was some opposition from PHV trade and consumer groups. Typically these stakeholders felt that existing arrangements were beneficial to consumers and removing in-venue licenses would increase the likelihood of touting and other illegal activity. There was also concern that these arrangements are necessary as part of local licensing conditions in some areas.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal attracted different views from stakeholders on the perceived health impacts for passengers. Some stakeholders considered that an in-venue operating centre can, in itself, attract unbooked vehicles and give rise to illegal plying for hire or touting. However other stakeholders suggested that the cessation of these licences could increase the vulnerability of passengers waiting outside. Given the differences in stakeholder views on personal safety impacts, and the lack of data available, both the health and equality impacts for this proposal have been rated as neutral. Business and economics impacts were rated as moderate adverse due to the potential loss of income for operators in this part of the PHV sector.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal. Technology and the marketplace have given consumers significant new options to book Private Hire journeys, while at the same time, the concept of in-venue operating centres has led to a number of issues including illegal plying for hire and unauthorised PHV 'ranks' outside popular late night venues.

TfL has already stopped issuing variations to licences where the application is for an in-venue operation, and no further variation applications of this nature will be approved. TfL will, however, explore alternative measures to assist customers in late night temporary venues whilst minimising the potential of plying for hire or touting.

7. Operator must have a fixed landline telephone which must be available for passenger use at all times

Original proposal

We proposed to amend the PHV Regulations to require all licensed private hire operators to have a landline number available at all times so passengers can speak to operator staff for the purposes of customer care, complaints and the booking of private hire journeys. The number of staff managing customer telephone enquiries would be required to be commensurate with the size of the operator and the volume of private hire bookings.

Summary of consultation responses

This proposal was supported by a majority of respondents. Many of those who were supportive sympathised with the importance of customers being able to contact an operator but did not necessarily agree that this should be prescribed as being through a landline. The proposal received mixed views from the PH trade, business groups and consumer organisations. Those opposing suggested that operators should be able to decide the methods by which they interact with customers and that reference to a landline was antiquated.

Summary of Mott MacDonald Integrated Impact Assessment findings

The health and equality impacts for passengers have been assessed as moderate beneficial for passenger safety as it would provide passengers with the ability to contact the operator directly to address concerns 'in real time' rather than relying on less reactive electronic communication. Although aimed primarily at passengers a moderate beneficial health impact for drivers has also been estimated. The business and economic impact on operators has been assessed as major adverse for operators offering digital only bookings and moderate adverse for all other operators.

Latest position (announced on 20 January 2016)

We intend to proceed with an amended proposal, making it clear that the requirement is for a customer to be able to speak to an operator verbally at all times when journeys are being undertaken, rather than specifying a landline per se. The requirement will be mandatory for enquiries or complaints in relation to booked journeys, but it will not be compulsory for operators to have to accept bookings by phone.

The ability to speak to a real person at all times when journeys are being undertaken is an important safety requirement and was supported in the consultation, particularly by groups representing disabled passengers.

This amended proposal will mitigate the impacts identified in the IIA conducted by Mott MacDonald by ensuring passengers can speak to an operator in the event of an enquiry or complaint but without the onerous requirement of mandating operators to accept bookings by phone.

8. Operators must not show vehicles being available for immediate hire, either visibly or virtually via an app

Original proposal

We proposed to amend the PHV Regulations to require operators to ensure that private hire vehicles are not visibly shown to be available for immediate hire, whether physically (e.g. signage or otherwise on the street) or via an app, or other means.

Summary of consultation responses

This proposal was supported by the taxi trade but there was strong and widespread opposition against this proposal from customer groups and PHV operators.

Summary of Mott MacDonald Integrated Impact Assessment findings

The equality impact of this proposal has been rated as minor adverse as the inability to show a vehicle on an app may affect passengers' sense of security. The business and economic impacts have been rated as major adverse for operators offering digital only bookings and minor adverse for operators offering digital and phone/office based bookings.

Latest position (announced on 20 January 2016)

We do not intend to proceed with this proposal. However, it is likely that this concept will be tested in the courts, providing a determination on whether this constitutes plying for hire.

9. Operators will be required to provide specified information including details of all drivers and vehicles to TfL on a regular basis

Original proposal

We proposed to require operators to provide TfL with information in such form, content and at such intervals as TfL specifies including details of drivers and vehicles.

Summary of consultation responses

The proposal was universally supported, including by the industry and customers.

Summary of Mott MacDonald Integrated Impact Assessment findings

The health impacts for passengers have been identified as moderate beneficial as this will help to improve passenger safety by making it easier for TfL to check appropriate insurance is in place and to identify and take action against unlicensed drivers. A minor adverse business and economy impact has been identified for PHV operators, particularly those operators with limited electronic record keeping; however impacts are expected to be relatively short term.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal. We will explore the optimum frequency of electronically uploading this information.

10. Operators must specify the fare prior to the booking being accepted

Original proposal

We proposed to require operators to provide a specified fare prior to the booking being accepted.

Summary of consultation responses

There was strong support for operators providing a specified fare prior to the booking being accepted from both customers and most of the taxi and private hire industries, whilst business groups were strongly opposed.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal is likely to improve the transparency of PHV fares which will have particular long term benefits for those on low incomes. As several equality groups are more likely to be in low-income households, this is likely to realise moderate beneficial equality impacts; particularly for disabled groups.

The proposal could result in minor adverse impacts to drivers if implementation of this proposal requires the driver to stop and recalculate the fare.

It could have a moderate adverse impact on digital only bookings as income loss through under-estimation of a fare could be experienced which may require some changes to the operating model. Impacts on those operators offering bookings via the phone are assessed to be minor adverse. There is a risk that operators will build a contingency into the fare charged to passengers in order to minimise the negative income impacts that are identified above; therefore minor adverse economic impacts for passengers have been identified.

Latest position (announced on 20 January 2016)

We intend to amend the proposal to require an estimated fare to be provided prior to the journey commencing. TfL will work with the trade on the detailed implementation, including accuracy required to implement this effectively.

This amended proposal will mitigate the impacts identified in the IIA conducted by Mott MacDonald by ensuring a transparent fare estimate for passengers while also providing flexibility for operators to provide that estimate before the journey commences, thus local traffic conditions can be taken into consideration allowing for a more accurate estimate.

11. Operators must record the main destination for each journey which must be specified at the time the booking is made

Original proposal

We proposed to amend the Operators Regulations to require the operator to record the main destination of private hire journeys which must be specified at the time the booking is made.

Summary of consultation responses

The proposal to record the main destination at the time of the booking being made had strong customer and industry support, with the majority of operators already recording this information.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal could improve the safety of all passenger groups as it has the potential to aid the police in tackling crime which could be significant. The health impact has therefore been rated moderate beneficial.

A minor adverse impact has been identified for business and economy impacts for all types of PHV operators; recognising the difficulty in confirming a main destination in every instance of PHV use.

Latest position (announced on 20 January 2016)

We intend to amend the proposal to require the main destination to be recorded by the operator prior to the journey commencing.

Operators already have to record the main destination if specified by the customer at the time of booking, and this proposal will mandate the requirement to take this information prior to the journey commencing. It will ensure a complete record of each journey, thus supporting passenger safety, and would also be an essential requirement to implement proposal 10. Any changes to the booking mid-journey would need to be agreed with the operator and a new destination recorded.

This amended proposal will mitigate the impacts identified in the IIA conducted by Mott MacDonald by capturing the most up to date information regarding the destination up to the point the journey commences.

12. Harmonise retention periods for records

Original proposal

We proposed to harmonise the retention period for records under the Operator Regulations to be 12 months where it is currently six months.

Summary of consultation responses

This proposal received strong support in the consultation, including from customers, and a majority of the industry welcomed the clarification in the record keeping process.

Summary of Mott MacDonald Integrated Impact Assessment findings

This was identified as primarily an administrative change with limited resource requirement and therefore is unlikely to have a disproportionate impact in relation to the four assessment topics.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

Having different retention periods for different records causes confusion to operators and doesn't allow a full compliance check to be done on records older than 6 months. The proposal is that the period for retention of records is made 12 months for all records as opposed to 6 months for some records (e.g. complaints, lost property) and 12 months for others (e.g. driver and vehicle records).

13. Limit on the number of business names attached to each Operator's licence

Original proposal

We proposed a limit of five on the number of business names attached to each Operator's licence.

Summary of consultation responses

There was strong support in the consultation from customers on this proposal, although some alternatives to the five business name limit were proposed which are being considered by TfL, including how operators register their business names and trading names with TfL to avoid facilitating 'passing off' and confusing the public.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal is likely to impact some operator groups more than others however it has the potential to have some short term negative consequences for some larger operators which have accrued multiple companies over a long period of time, whilst this proposal may have long term advantages for operators which benefit from fewer competitors with a similar trading name. Engagement highlighted that operators with more than five operating names are not particularly common. The business and economic assessment is therefore rated as neutral.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

Having multiple names, or names similar to other operators, can cause confusion as to who customers are making a booking with. There is evidence of operators applying for names containing geographic areas they do not provide services in, or using personal names of other individuals or names similar to those of other operators.

PART 2: PRIVATE HIRE DRIVERS

14. Specific requirement for an English Language test

Original proposal

We proposed to make regulations that will require drivers to be able to demonstrate they have sufficient knowledge of English language at an intermediate level. The requirement will be applied to all new driver applicants and renewals. In the interim, as part of our review of the topographical test, we will ensure that the test centres are properly assessing the ability of candidates to communicate in English.

Summary of consultation responses

There was strong and near universal support in the consultation from both customers and the industry on this proposal, as it would ensure that drivers are able to converse with passengers to an adequate standard to take direction from them (for example, where to go/park safely on reaching a destination) and especially in the case of an incident (e.g. road traffic accident or passenger emergency).

Summary of Mott MacDonald Integrated Impact Assessment findings

Improved communication between passengers and drivers may help to improve passenger safety and their perception of safety. As such, this proposal is currently considered a minor beneficial health impact. Some equality groups may disproportionately benefit from improved communication and therefore there have been some minor beneficial equality impacts assessed for passengers.

The introduction of this proposal will affect drivers wishing to enter the trade or renew their licence. This could be significant for those already working in the trade as it could result in reduced income if they do not pass, whilst it could act as a barrier to new drivers. As such the equality impact of this proposal for drivers is assessed as major adverse. Due to the potential impacts on driver income and driver supply, business and economic impacts have been assessed as moderately adverse for both drivers and operators.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal. TfL is considering progressing with English level B1 (intermediate) as a standard of English required by the Home Office for immigration purposes.

15. Drivers to only work for one operator at a time

Original proposal

We proposed to make it a requirement that a PHV driver must be registered to a licensed operator and may only be registered to a single operator at any time.

Summary of consultation responses

Whilst there was general recognition in the consultation that the issue of excessive drivers' hours is one that needs to be addressed, there was mixed support to tackle it in this way.

Summary of Mott MacDonald Integrated Impact Assessment findings

A moderate beneficial health impact has been identified for both passengers and drivers with this proposal. However engagement as part of this IIA process has indicated that driving for more than one operator is becoming more and more commonplace, especially given the developments in technology.

Larger operators with higher profile, larger coverage and increased flexibility may benefit from this proposal as engagement highlighted these characteristics appeal to drivers. As a result, locally focused PHV operators with a smaller geographical coverage could be at significant risk of losing drivers as a result of this proposal. This proposal is considered to have a moderate adverse overall business and economic impact on operators. It is considered that many drivers will be affected by this proposal; it will affect the ability to work and provide services as they do at present and could also have significant effects on their income. For PHV drivers this proposal is assumed to have a major adverse impact.

Latest position (announced on 20 January 2016)

We do not intend to proceed with this proposal. The purpose of this proposal was to address concerns around drivers working excessive hours by working for multiple operators; as many are self employed and not subject to the EU working time directive.

TfL will now work with the DfT to consider how else to tackle the issue of excessive working hours.

16. Driver and Operator licence applicants to provide National Insurance numbers and share with Department for Work and Pensions (DWP)

Original proposal

We proposed an application requirement to provide a National Insurance number for private hire driver and operator licences (where the operator is an individual).

Summary of consultation responses

This proposal received strong customer support and widespread support across the industry and from HMRC.

Summary of Mott MacDonald Integrated Impact Assessment findings

This was identified as primarily an administrative change with limited resource requirement and therefore is unlikely to have any disproportionate impacts in relation to the four assessment topics.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

While a National Insurance number is not proof of identity, it does provide an additional safeguard to other identity checks. Furthermore, the information would be of use to the DWP in certain circumstances with their investigations. This will enable appropriate and proportionate data sharing with other government departments to ensure drivers and operators aren't making fraudulent claims for benefits or not declaring income to HMRC.

17. Vehicle licence to be revoked if driver licence revoked

Original proposal

Where a licensed driver has their driver's licence revoked, and that driver is the owner of a licensed vehicle, then we propose to also revoke the vehicle licence.

Summary of consultation responses

This proposal received strong support from customers and most of the industry.

Summary of Mott MacDonald Integrated Impact Assessment findings

This is likely to have positive health and safety impacts as it offers an additional safeguard to passengers and is therefore assessed as having a minor beneficial impact.

The business and economy impacts are assessed as minor adverse as it could negatively impact drivers who share vehicles.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

To be clear, this does not mean that a vehicle licence would be automatically revoked if a driver licence is revoked. However, it gives TfL the power to do so under specific circumstances; for example, if there is a concern that a vehicle could be used for hire and reward by somebody without a PHV driver licence. Where a driver is renting a vehicle or using a vehicle belonging to an operator this would not apply. TfL will explore whether (under data protection laws) on line advice regarding driver licence suspensions and revocations (see proposal 9) could be introduced to ensure that a company that rents/leases vehicles will be made aware that one of their drivers is no longer a licensed driver.

18. Checks on convictions of operator staff

Original proposal

We proposed to seek to add operator staff to the DBS list and amend the Regulations accordingly. As an interim measure we proposed to require operators to ask any person working for them to provide a basic disclosure as part of the application process.

Summary of consultation responses

This proposal received strong customer support and widespread support across the industry, but it was also noted that it should be delivered in a proportionate and practical way, and we will work with the trade on implementation plans.

Summary of Mott MacDonald Integrated Impact Assessment findings

Thorough checks on operator staff are expected to deliver additional benefits through improved personal safety for passengers, reducing the risk of emotional and/or physical harm. Therefore the health and equality impacts of this proposal are rated as minor beneficial. Due to the high level of churn for operator staff, and this proposal poses a potential administrative burden and therefore business and economic impacts are estimated to be minor adverse.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

This would only apply to operator staff who have face-to-face contact with the public e.g. at minicab offices. Given the regular interaction with the public and access to personal information that such staff have access to, this will help to increase public safety.

19. TfL stop accepting payment by PO and cheque

Original proposal

From 1 April 2016 we propose to no longer accept cheques or postal orders as payment for licence fees for PHV drivers, operators and vehicles.

Summary of consultation responses

This proposal received widespread support across the industry. Less than 1 per cent of licensing transactions to TfL are paid by cheque or postal order.

Summary of Mott MacDonald Integrated Impact Assessment findings

This was identified as primarily an administrative change with limited resource requirement and therefore is unlikely to have a disproportionate impact in relation to the four assessment topics.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

PART 3: PRIVATE HIRE INSURANCE

20. Hire and Reward insurance to be checked at point of licensing and must be in place for duration of vehicle licence

Original proposal

We proposed to check Hire and Reward insurance at the point of vehicle licensing and insurance will be required to remain in place for the duration of the licence. No licence can be issued without evidence that the appropriate insurance is in place.

Summary of consultation responses

The original proposal received strong customer and stakeholder support during the consultation.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal is presently considered to be minor beneficial in terms of the health impact for passengers due to the protection provided by insurance. The business and economics impact was rated as major adverse for drivers who own their own vehicle due to the potentially significant additional costs of insuring their vehicle on an annual basis. A minor adverse impact was also identified for operators who own their vehicles and do not have fleet insurance.

Latest position (announced on 20 January 2016)

We intend to proceed with a variation of this proposal requiring Hire & Reward (H&R) insurance to be in place at all times whilst a vehicle is registered to an operator. For this proposal to be enforceable, it would need to operate in conjunction with proposal 9, which requires operators to regularly provide details of those vehicles that are registered to their operating platforms so that TfL can check these against the Motor Insurers' Bureau database.

Seasonal variations in customer demand means that some Private Hire vehicles are often taken out of operation during quieter times, and it would be punitive to expect drivers to pay H&R insurance premiums when their vehicles are not being used for these purposes.

This amended proposal will mitigate the impacts identified in the IIA conducted by Mott MacDonald. Amending the proposal to ensure that H&R insurance is in place at all times while a vehicle is registered to an operator would address this concern by allowing vehicles to be 'de-registered' from operators' booking platforms during periods when they are not being used for H&R purposes. This would prevent them being allocated jobs from their operator during those periods they are de-registered, while ensuring that appropriate insurance is in place when they are registered with an operator to accept bookings.

21. Drivers to carry or display a copy of insurance details at all times

Original proposal

We proposed to amend the Drivers Regulations to the effect that private hire drivers must carry a copy of their insurance documents at all times.

Summary of consultation responses

This proposal was strongly supported in the consultation although some sections of the private hire trade opposed it.

Summary of Mott MacDonald Integrated Impact Assessment findings

This was identified as primarily an administrative change with limited resource requirement and therefore is unlikely to have a disproportionate impact in relation to the four assessment topics.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

This proposal harmonises the requirements with those in the Taxi trade. Drivers will be required to carry or display a copy of their hire and reward insurance in the vehicles. It will reduce delays to passengers during real-time roadside checks of insurance and provide increased confidence/safety for customers that their vehicle is properly insured.

22. Hire and Reward fleet insurance in place by operators

Original proposal

We proposed that operators should be required to have Hire and Reward fleet insurance.

Summary of consultation responses

This proposal was supported by a majority of respondents, although some preferred the alternative insurance related proposals. There were mixed views from PH trade stakeholders: those supporting the proposal felt that it would strengthen the responsibility of operators to ensure that vehicles were properly insured; those opposing argued that fleet insurance was unnecessary if the driver was properly insured, and it would represent a significant financial burden, particularly for smaller operators, which would be passed on to consumers.

Summary of Mott MacDonald Integrated Impact Assessment findings

This is considered to be a minor beneficial health impact to passengers as the introduction of the proposal is designed to help ensure passengers are not transported without adequate insurance. However, without any data on the extent to which vehicles are being used without appropriate insurance, it can only be assigned a minor beneficial rating. . As the proposal would potentially affect all operators which don't currently have fleet insurance and have a long term impact with annual fees, it has been assigned major adverse business and economic impact.

Latest position (announced on 20 January 2016)

We do not intend to proceed with this proposal at this time. However, there is broad agreement across the industry that there is an issue with indemnification in the event that a driver, intentionally or not, does not have the appropriate insurance in place. TfL will work with the trade to explore this in more detail and will seek to come forward with a new proposal in due course.

PART 4: PRIVATE HIRE LICENSING

23. Operator licence type

Original proposal

We proposed to review the current operator licence type and look to introduce additional category/categories.

We currently issue two types of private hire operator licence: Small (less than two private hire vehicles available) and Standard (more than two private hire vehicles available). The current costs for these licence types are as follows:

	Small	Standard
Licence application fee (non-refundable)	£838	£838
Grant of licence fee (five-year licence)	£650	£1988
Total	£1488	£2826

A key element in both taxi and private hire licensing is that the licence fees can only be used to cover the costs of the licensing, compliance and enforcement functions, and cannot be used to fund other TfL activities.

Summary of consultation responses

This proposal was supported by a majority of respondents. Those who did not agree felt that this ultimately would increase costs to customers and, in any case, licensing costs should be reduced/minimised. It was also suggested that costs related to audit and enforcement should be funded through driver licences.

Summary of Mott MacDonald Integrated Impact Assessment findings

This proposal is considered to have a neutral environmental impact but will affect all operators with more than 1,000 licensed vehicles. As the proposal doesn't contain details of what a new licence fee might be it is difficult to reach a final conclusion on this impact on operators. This has therefore been rated a cautionary minor adverse business and economic impact.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal. The specific revisions to the licence fee structure will be consulted on separately.

At the moment, an operator with a very small number of vehicles pays the same licence fee as an operator with thousands of vehicles. This does not reflect the regulatory costs to TfL and the revised structure will be adjusted to reflect this. This will mean that the very small operators would pay less than they do at the moment, and largest operators would pay considerably more than they do now to appropriately reflect the costs of licensing, enforcement and compliance.

24. Controls on ridesharing in licensed vehicles

Original proposal

We proposed to explore 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.

Summary of consultation responses

The consultation and customer responses generally supported the principle to explore proposals to promote passenger safety.

Summary of Mott MacDonald Integrated Impact Assessment findings

A number of health and safety risks have been identified in relation to ridesharing so controls on this practice could therefore lead to improved passenger safety. This is assessed to have a minor beneficial health impact for passengers and drivers.

The original travel patterns of those using ridesharing prior to using this service are unclear, and therefore it is difficult to estimate whether the modal shift to ridesharing would be from other PHV / taxi / private car trips or from public transport trips. The environmental impact of this proposal is therefore considered neutral. The potential of this proposal to result in imposed controls which could lead to disruptions on ridesharing means that digital only operators may experience a minor adverse business and economic impact. Business and economic impacts to remaining PHV operators has been assessed as a neutral impact due to lack of historical data on current levels of informal ridesharing.

Latest position (announced on 20 January 2016)

We will work with the DfT to develop guidance for ridesharing.

Ridesharing is a big emerging market and there is lots of innovation from both existing players and new entrants. It is important that TfL as the regulator supports this. The purpose of the new guidance would be to reinforce the overall support for ridesharing; signpost new and existing operators to the right people to discuss business models; and give guidelines around the regulatory parameters for ridesharing (and how to differentiate between car-pooling and ride sharing for hire and reward).

25. Amendment of advertising regulation to include “in” vehicle

Original proposal

We proposed a small change to Regulation 8 of the Vehicle Regulations to clarify that advertising displayed “from” as well as “on” a vehicle is subject to the controls set out in that Regulation.

Summary of consultation responses

A majority of respondents supported this proposal although many felt it needed more explanation and/or rationale for why the change was being proposed. Respondents not supporting this proposal either felt it was unnecessary/over-regulatory, or they didn't believe there was enough detail to offer support.

Summary of Mott MacDonald Integrated Impact Assessment findings

This was identified as primarily an administrative change with limited resource requirement and therefore is unlikely to have a disproportionate impact in relation to the four assessment topics.

Latest position (announced on 20 January 2016)

We intend to proceed with this proposal.

ADDITIONAL ITEMS

In addition, we will investigate the impact and feasibility of removing the Congestion Charge exemption for private hire vehicles in central London to tackle pollution and reduce congestion, given it is estimated that 1 in 10 vehicles entering the zone is now a private hire vehicle and the number of private hire vehicles circulating within the central London Congestion Charge zone has increased by over 50 per cent in the last two years.

Linked to the above, the Mayor has secured a commitment from the Government to progress separate legislation to enable TfL to regulate pedicabs, helping to tackle fare abuses prevalent among some pedicab drivers, whilst tackling the congestion they cause in central London, particularly in the evenings.

We will also, subject to approval by the TfL Board, alter the structure of licence fees paid by operators of different sizes to better reflect the costs of compliance and enforcement activity. This would provide further financial incentive for operators to maximise the efficiency of their operations and minimise the number of vehicles they use across London as a whole.