

**LICENSING  
COMMITTEE**

9<sup>th</sup> November 2015

**UBER – INFORMATION REPORT**

Relevant Portfolio Holder	Councillor Peter Whittaker
Portfolio Holder Consulted	Yes
Relevant Head of Service	Simon Wilkes - Head of Worcestershire Regulatory Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

At the request of the Chairman of the Licensing Committee, this report has been prepared to provide information to Members of the Licensing Committee on the company that trades as Uber.

**2. RECOMMENDATIONS**

**Members are asked to note the content of the report.**

**3. KEY ISSUES**

**Financial Implications**

3.1 None

**Legal Implications**

3.2 None

**Service / Operational Implications**

3.3 This report has been produced at the request of the Chairman of the Licensing Committee to provide some information on the company that trades in the UK and around the world as “Uber”. The Chairman has requested the report in light of increasing publicity surrounding the activities of this company, which is now known to be operating close to the District in Birmingham.

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- 3.4 Uber Technologies Inc. is an American international transportation network company headquartered in San Francisco, California. The company develops, markets and operates the Uber mobile app, which allows consumers with smartphones to submit a trip request which is then routed to Uber drivers who use their own cars. Essentially it is an online booking service for private hire vehicles.
- 3.5 Using GPS, it detects your location and connects you with the nearest driver. You can also request a specific type of car if you prefer - such as a luxury ride or a straightforward private hire vehicle. The app texts you when the driver arrives and you can check the identity of the driver against who actually shows up.
- 3.6 By May 2015, the service was believed to be available in 58 countries and 300 cities worldwide.
- 3.7 It should be noted that Uber is not the only smartphone app to have been developed to help connect passengers and taxi / private hire service providers. Other examples operating in the UK include Hailo, Addison Lee, Bounce, Kabbee and Gett.
- 3.8 The activities of Uber have sometimes provoked controversy in some countries with questions raised about the legalities of their operating model. However within the UK it should be stressed that Uber appears to be operating entirely lawfully within the private hire licensing regimes provided for in London by the Private Hire Vehicles (London) Act 1998 and in the rest of England and Wales under the Local Government (Miscellaneous Provisions) Act 1976.
- 3.9 Uber Technologies Inc. would appear to have subsidiary companies trading in the UK including Uber London Limited and Uber Britannia Limited.
- 3.10 The Uber website at [www.uber.com/legal/gbr/terms](http://www.uber.com/legal/gbr/terms) states that Uber is the holder of Private Hire Vehicle operator licence in each of the jurisdictions in which it operates, and accepts at its registered address and/or operations centre, private hire bookings made by the Uber App.
- 3.11 The controversy surrounding Uber's operations in London relate to the way that the fares charged to passenger using the Uber app are calculated and also the fact that they are generally cheaper than those charged by London's world famous "Black Cabs."
- 3.12 The fares charged by Uber are calculated via GPS and in London it has been argued that this is basically the same as using a taximeter, which in London, only licensed hackney carriages can use as a result of section 11 of the Private Hire Vehicles (London) Act 1998.

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- 3.13 The controversy has led to protests from taxi drivers in London but Transport for London (TfL), which regulates taxi and private hire vehicles in the City, has taken legal advice and has concluded that Uber is not operating unlawfully and that the calculation of a fare via GPS is not the same as using a taximeter.
- 3.14 This is not necessarily the end of the matter however as the London Taxi Driver Association (LTDA) has apparently issued summonses at Westminster Magistrates Court to a number of Uber drivers whom it is seeking to privately prosecute for offences under section 11 of the Private Hire Vehicles (London) Act 1998.
- 3.15 Recently the High Court ruled that the Uber app does not break the law. The case was considered by the Court at the request of TfL who said taking the case was in the public interest. Mr Justice Ouseley declared that taximeters do not operate in the same way as the app as they do not depend on GPS signals or include the app's other new-tech characteristics to calculate fares. Transport for London welcomed the ruling, saying there had been "significant public interest in establishing legal certainty in the matter".
- 3.16 The LTDA has made statements indicating that they would appeal against the High Court decision to the Court of Appeal.
- 3.17 It is important to recognise that the legal challenges to the way Uber operates in London are not replicated in the rest of England and Wales, as private hire vehicles are allowed to utilise taximeters outside of London as there is no equivalent provision to section 11 of the Private Hire Vehicles (London) Act 1998 in the Local Government (Miscellaneous Provisions) Act 1976.
- 3.18 Uber has now expanded its operation in England and Wales beyond London and the company now has licences to operate in Manchester, Leeds, Birmingham, Bristol, Newcastle and Sheffield. The company's expansion has been rapid and indications are that it will continue to grow and will seek to expand its services into other towns and cities throughout England and Wales.
- 3.19 As with all licensed private hire operators, Uber can dispatch vehicles and drivers to carry out work anywhere in the country, providing that the vehicle and driver that is allocated the booking is also licensed with the local authority that issued the relevant private hire operator licence.

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- 3.20 Due to the relaxation on sub-contracting rules for private hire vehicles that came into effect on 1<sup>st</sup> October 2015, Uber can also sub-contract bookings to other licensed private hire operators in other local authority areas so they that operator can dispatch an appropriately licensed vehicle and driver.
- 3.21 As bookings are made via the smartphone app, it is difficult to see how it can be proven precisely in which local authority areas Uber is “making provision for the invitation and acceptance of bookings for private hire vehicles” and therefore where it needs to obtain licences from.
- 3.22 However enquiries with Birmingham City Council have revealed that Uber has an operating base in Birmingham that is used in connection with their private hire operator’s licence there.
- 3.23 The emergence of Uber and other smartphone taxi booking apps has highlighted the urgent need for reform of the badly outdated taxi and private hire legislation that is struggles to cope with regulating this service due to modern technological advances like smartphones and the internet, which were not around in 1976.

**4. RISK MANAGEMENT**

- 4.1 None

**5. APPENDICES**

None

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