

**DEREGULATION ACT 2015 AND ITS EFFECT ON TAXI AND PRIVATE HIRE LICENSING**

Relevant Portfolio Holder		Councillor K. Taylor
Portfolio Holder Consulted		No
Relevant Assistant Director		Simon Wilkes – Director of Worcestershire Regulatory Services
Report Author	Job Title: Licensing and Support Services Manager Contact email: Kiran.lahel@worcestershire.gov.uk Contact Tel: 01562 738067	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Council Priority		
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

**1. RECOMMENDATIONS**

**1.1 Note the contents of the report and the implications of the Deregulation Act 2015 on Taxi & Private Hire Licensing.**

**2. BACKGROUND**

- 2.1 At a meeting in mid-2024 with the Taxi Representatives in Bromsgrove, concerns were raised by Bromsgrove's hackney carriage trade members regarding the rising number of Uber vehicles which were entering and working in and around the district. Concerns were also raised in relation to the regulations which were implemented that allow Uber to operate in other local authority areas, under its current business model.
- 2.2 As the majority of these Uber private hire vehicles are licensed by Wolverhampton City Council (WCC) Licensing Officers wrote to WCC asking for support and have since carried out joint enforcement activity in Bromsgrove's Night Time Economy with WCC officers. The enforcement activity was to ensure that any vehicles licensed by WCC entering and working in the district, were meeting the requirements set out in this report and working within the regulations.
- 2.3 Members more recently have requested a reminder of the legislation that was introduced that enable Uber's operating model.

**3. KEY ISSUES**

**Taxi legislation**

- 3.1 The relevant legislation governing hackney carriage and private hire licensing is highlighted at 3.2 to 3.5 of this report. At present there are no immediate plans by government to either review, replace or introduce updated legalisation to govern hackney carriages or private hire vehicles.
- 3.2 The main pieces of legislation which govern taxi and private hire licensing are:
- The Town Police Clauses Act 1847 (TPCA47)
  - The Local Government (Miscellaneous Provisions) Act 1976 (LGMPA76)
- 3.3 The 1847 Act provides duties relating to hackney carriage vehicle's which have transferred to district councils over the years and the adoptive provisions of the 1976 Act relating to both hackney carriage and private hire trades that have been taken up by virtually all local authorities in order to ensure that the public have reasonable access to taxi and private hire vehicle services, as they play an important part in local transport provision.
- 3.4 The main aim of licensing taxi and private hire vehicles and drivers is to "Protect the Public" by ensuring that any drivers licensed are "Fit and Proper" and that vehicles are "Suitable, Safe and Comfortable". The legislation provides a broad framework for the licensing of drivers, vehicles and operators but the detail of how this is done, including standards and conditions, is the responsibility of individual Local Authorities through their adopted policies. It is widely cited that this legislation is out of date and due for reform. Limited reform has already taken place in part by way of the Deregulation Act 2015.
- 3.5 Section 46 of the 1976 Act requires that any private hire operators, vehicles and drivers operating in a controlled district must be licensed and hold all three licences with the same local authority. However, this does not mean they are restricted to physically operating in only that local authority.
- 3.6 The 1st October 2015 saw the implementation of the Deregulation Act 2015. Section 11 of the Act inserted two new sections (55A and 55B) into the Local Government (Miscellaneous Provisions) Act 1976 in relation to the sub-contracting of bookings from one private hire vehicle operator to another. This was a major amendment to the 1976 Act affecting taxi and private hire drivers and operators as it permitted the sub-contracting of bookings from one private hire vehicle operator to another who can be licensed by a different local authority. The Act therefore allowed taxi and private hire companies to change the way in which they operate.

- 3.7 It has always been the case that a taxi or private hire vehicle had the “right to roam” meaning that they are not limited or restricted to simply working within their controlled district, this meant that a driver and vehicle licensed by a Local Authority could work anywhere in the country on a pre-booked basis. It has also always been the case that a resident of one area could make a booking with a private hire operator licensed in a totally different area and that an operator could lawfully accept the job and dispatch a driver and vehicle licensed by their local authority into the local authority area where the passenger wanted to be picked up.
- 3.8 The Deregulation Act 2015 however, further enabled a private hire operator licensed by one Local Authority to accept a booking and then sub-contract it to another operator licensed by a different Local Authority (previously they could only sub-contract to an operator licensed by the same Council as them).
- 3.9 Whilst on the face of it this did not appear radical, it meant that private hire operators throughout the UK could set up satellite offices in a neighbouring area and operate under a licence issued by that local authority, therefore they could essentially sub-contract work to themselves and then dispatch both a vehicle and driver licensed by that local authority to undertake bookings coming into a central location.
- 3.10 Since its implementation in 2015, many private hire operators have taken advantage of the freedoms which the Deregulation Act 2015 introduced. Companies have set up satellite offices in other cities and neighbouring districts and are now sub-contracting private hire bookings to themselves and dispatching a vehicle and driver licensed by that local authority.
- 3.11 The Government’s intention when implementing the Deregulation Act 2015 was to encourage free trade across district council borders, which inevitably has led to the current situation within UK. The Government does not see this as problematic, as it has achieved what it intended to with the introduction of the Act, so it is not a loophole as many people seem to state, hence within Bromsgrove District Council it is now commonplace to see vehicles and drivers licensed by other Local Authorities undertaking pre-booked journeys.
- 3.12 Various elements of the taxi trade have expressed concerns at the risk that unsafe vehicles or unfit persons may be trading in Bromsgrove, because they are not licensed locally. Whilst this is an understandable perception as there can be significantly different provisions between local authorities for licences, for vehicles in particular, and members can make different decisions in relation to whether an applicant’s previous convictions make them a fit and proper person to be a driver. However, as yet the WRS licensing team has yet to identify any significant threat to the local public from these changes.

- 3.13 The National Taxi Standards introduced in September 2022 created a National Register of Taxi Licence Revocations and Refusals (NR3). NR3 contains information relating to any refusal to grant, or revocation of a hackney carriage/private hire driver licence. This information is important in the context of a subsequent application to another Authority for a drivers' licence by a person who has had their licence refused or revoked in the past. All of the licensing authorities within Worcestershire, including Bromsgrove, have signed up to and are utilising NR3.

**Plying for hire**

- 3.14 "Plying for hire" refers to the act of a vehicle stopping to pick up a passenger for hire and reward when that passenger hasn't pre-booked the journey through a licensed private hire operator.
- 3.15 Concerns have been raised by Bromsgrove's taxi drivers that vehicles and drivers licensed by other local authorities are plying for hire in Bromsgrove. As explained earlier in this report, providing that a private hire vehicle and driver (and operator) are properly licensed by a Local Authority they can wait in any location for a booking to be dispatched to them quite legally. A recent legal case taken by Reading Borough Council against Uber drivers licensed by TfL who were waiting in Reading for bookings has confirmed that, as long as they are not actively "plying for hire," a private hire or hackney carriage vehicle can wait anywhere for a booking, providing that they are parked lawfully.
- 3.16 Officer interaction with private hire drivers and vehicles in the Bromsgrove area, indicate that the drivers licensed by other authorities do appear to be simply waiting for passenger bookings to be allocated by their respective companies. However, issues have arisen when these vehicles have allegedly parked or waited near or even on taxi ranks. Officers are monitoring this matter and following up where necessary any reports of persistent or repeat offending with the respective local authorities and licence holders.

**Uber and App based private hire booking systems**

- 3.17 Uber Technologies Inc. is an American international transportation network company with headquarters based 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 to complete the booking. Essentially it is an online booking service for private hire vehicles.
- 3.18 Using GPS, they detect your location and connect 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.

- 3.19 By May 2015, the service was believed to be available in 58 countries and 300 cities worldwide.
- 3.20 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 of companies operating in the UK include Bolt, Veezu, Addison Lee, Bounce, Kabbee and Gett. There are also app-based companies set up in Worcestershire.
- 3.21 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.
- 3.22 The Uber website at [www.uber.com/legal/gbr/terms](http://www.uber.com/legal/gbr/terms) states that Uber is the holder of a Private Hire Vehicle operator licence in each of the jurisdictions in which it operates, and accepts bookings at its registered address and/or operations centre, via private hire bookings made by the Uber App.
- 3.23 Over the years Uber have expanded its operation in England and Wales beyond London and the company now has licences to operate in Manchester, Leeds, Birmingham, Bristol, Newcastle, Sheffield, Wolverhampton and many other local authority areas. 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.
- 3.24 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.
- 3.25 Due to the relaxation on sub-contracting rules for private hire vehicles that came into effect on 1st October 2015, Uber can also sub-contract bookings to other licensed private hire operators in other local authority areas so that the operator can dispatch an appropriately licensed vehicle and driver.

- 3.26 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, however enquiries with Birmingham City Council and Wolverhampton City Council have revealed that Uber has an operating base in both areas that is used in connection with their private hire operator’s licence there.
- 3.27 The emergence of Uber and other smartphone taxi booking apps has highlighted the urgent need for reform of the outdated taxi and private hire legislation that struggles to cope with regulating this area of licensing due to modern technological advances like smartphones and the internet, which were not around in 1976.
- 3.28 Uber vehicles and drivers, can now regularly be found working in the and around Worcestershire, including Bromsgrove. Officers have and will continue to engage with Wolverhampton City Council if any issues are identified by intelligence or enforcement operations.

**Geofencing**

- 3.29 Geofencing is a virtual boundary, set around a specific area such as a city, airport, or a particular area and is used by app based private hire booking companies such as Uber. When a private hire vehicle enters or exits this defined area, the system detects it using GPS or other location services on the driver's device. Once the vehicle crosses the boundary, certain actions can be triggered, such as sending notifications to the driver, logging the entry/exit time, or updating the status of the vehicle.
- 3.30 For app based private hire booking companies this can help their dispatchers know when vehicles are available in a specific area, allowing for quicker allocation of a booking. It also ensures that vehicles are operating within permitted areas, helping to enforce local regulations and safety standards. For customers it provides real-time updates on the proximity of their booked vehicle, which has been proven to improve service reliability and satisfaction.
- 3.31 At a meeting with Taxi representatives the trade representatives put forward a request for the council to contact Uber, asking them to limit their operation in the Bromsgrove area as the business competition is affecting Bromsgrove’s hackney carriage drivers’ income. Officers have recently made contact with representatives of Uber, who state that they have no intention of limiting their operations in any UK’s districts.
- 3.32 There is no legal framework to restrict or limit private hire operations in the UK and one UK local authority which attempted to restrict the operation of private hire vehicles within their district, found themselves

the subject of a Judicial Review in the high Court. The outcome of the Judicial review resulted in the Council having to remove any restrictions which they had put in place.

- 3.33 Officers will continue to monitor the activity of these vehicles and drivers, to ensure that they are operating lawfully and in accordance with current taxi law and regulations.

**4. FINANCIAL IMPLICATIONS**

- 4.1 The trade has indicated that the introduction of deregulation and Uber have had a negative impact on the trade and income.

**5. LEGAL IMPLICATIONS**

- 5.1 These are outlined in the main body of the report and outline the impact of the Deregulation Act 2015.

**6. OTHER - IMPLICATIONS**

**Local Government Reorganisation**

- 6.1 The Government White paper have acknowledged that Taxis and private hire vehicles are an important part the transport networks and some of the most vulnerable groups in our society rely on them. They recognise the concerns about out-of-area working by private hire vehicles and are exploring how best to address these concerns. As part of this, they will be in due course consulting on whether to make all Local Transport Authorities (including Strategic Authorities) responsible for taxi and private hire vehicle licensing.

**Relevant Council Priority**

- 6.2 The Council's priority is to keep the residents of Bromsgrove District Safe and any policy discussion regarding Taxi's must align with the Council's key priorities.

**Climate Change Implications**

- 6.3 No Implications

**6. RISK MANAGEMENT**

- 6.1 Licensing officers acknowledge the impact that the Deregulation Act has had on the trade and the report outlines the proactive work licensing officers will continue to do with the intelligence team and using NR3 to try and limit the risk to the travelling public in Bromsgrove.

**7. APPENDICES and BACKGROUND PAPERS**

None

**8. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	Please record the name of the relevant Portfolio Holder who has signed off the report here.	Please give the date they signed off the report here.
Lead Director / Assistant Director	Please record the name of the relevant lead Director / Assistant Director who has signed off the report here.	Please give the date they signed off the report here.
Financial Services	Please record the name of the relevant Officer in Financial Services who has signed off the report here.	Please give the date they signed off the report here.
Legal Services	Please record the name of the relevant Officer in Legal Services who has signed off the report here.	Please give the date they signed off the report here.
Policy Team (if equalities implications apply)	If applicable, please record the name of the relevant Officer in the Policy team who has signed off the report here.	If applicable, please give the date they signed off the report here.
Climate Change Team (if climate change implications apply)	If applicable, please record the name of the relevant Officer in the Climate Change team who has signed off the report here.	If applicable, please give the date they signed off the report here.



**BROMSGROVE DISTRICT COUNCIL**

**Licensing Committee**

**21 July 2025**

---

--	--	--