

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
CORPORATE LEADERSHIP TEAM'S
REPORT TO LICENSING & PUBLIC PROTECTION COMMITTEE

19th August 2025

Report Title: Taxi licensing framework consultations 2025

Submitted by: Licensing Lead Officer & Service Director – Regulatory Services

Portfolios: Finance, Town Centres & Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To inform Members of two recent Government consultations in relation to the future of the taxi and private hire trade.			
<u>Recommendation</u> That Committee: <ol style="list-style-type: none"> 1. Note the contents of the report; 2. Agree that Officers submit a response, in agreement with the Chair and Portfolio Holder, to the call for evidence in relation to the Transport Committee's Inquiry into the Licensing of taxis and private hire vehicles; and 3. Agree that Officers submit a response, in agreement with the Chair and Portfolio Holder, to the Department for Transport consultation in relation to Automated passenger services: permitting scheme. 			
<u>Reasons</u> <p>The Government have recently opened two consultations that relate to the future of the taxi and private hire industry. Firstly, the Transport Committee have opened an inquiry into the current licensing framework to examine whether it regulates the sector effectively.</p> <p>Secondly, the Department for Transport have opened a consultation a draft Statutory Instrument designed to support piloting the future deployment of commercial self-driving vehicles.</p>			

1. Background

- 1.1** The two primary pieces of legislation that form the basis of the licensing framework are the Town and Police Clauses Act 1847 (the 1847 Act) and the Local Government (Miscellaneous Provisions) Act 1976 (the 1976 Act). These are supplemented by various smaller pieces of legislation that have come about to effect specific changes, a vast amount of case law, Statutory

Standards in relation to driver and operators, and Best Practice Guidance. The Transport Committee has published a call for evidence to support their inquiry.

- 1.2 The legislation, case law and guidance at present would not apply to driverless vehicles and their operation, as currently there is a requirement that licensed vehicles have drivers.
- 1.3 The Automated Vehicles Act 2024 included a permitting scheme to provide a route to safely allowing commercial passenger services with no human driver. The Automated passenger services (APS) permitting scheme is to be introduced by way of a Statutory Instrument which is the subject of the second consultation.

2. Issues

- 2.1 The taxi and private hire licensing regime is multi-faceted and complex. The primary legislation for hackney carriages is the 1847 Act which is nearly 180 years old. The primary legislation for the licensing of drivers, private hire vehicle and operators is the 1976 Act which is almost 50 years old. As time has passed case law has built up to supplement the legislation to provide context and decisions upon which licensing authorities must follow. The legislation is arguably no longer fit for purpose as it has not and cannot move at the pace required with technological advances and changes in businesses models.
- 2.2 The legislation does not take account for mobile telephones, internet and email bookings or app-based providers. There is limited case law on how app and cloud-based operations and services can be compliant within the current legislative framework.
- 2.3 The Deregulation Act 2015 (the 2015 Act) provided that private hire operators (PHOs) could sub-contract bookings to PHOs who were licensed in any other LA area. In effect this meant that PHOs applied for and were granted PHO licences across multiple LA areas and could then lawfully operate vehicles and drivers licensed by any of those LAs as part of one large business operation.
- 2.4 There are circa 300 local authorities in England that have the responsibility for taxi licensing within their area. There is a requirement in the statutory guidance that every licensing authority (LAs) publishes a comprehensive policy document that details how they approach taxi licensing and should include application requirements and suitability criteria. However, every licensing authority (LA) approaches this differently and it has resulted in a wide range of standards across the country. There are LAs with very high standards, some have low standards and many in between. This lack of consistency has resulted in individuals being able to 'licence shop' at LAs with lower standards. This, in conjunction with PHOs being able to licence with multiple LAs and then sub-contract bookings within their own operation, has meant that some LAs have become 'beacons' for applicants where there is a perceived benefit to applying with them. Whether that is a lower standard to meet, it be quicker from application to grant or it be cheaper. The end result is that individuals who one LA may deem to be unfit to be a taxi driver, can lawfully apply to any other LA and potentially have a licence granted and then come back to work in the area that they have been refused a licence in.

- 2.5** These issues pose real safeguarding risks to the most vulnerable members of society and the public as a whole. There have been numerous reports published in relation to the links between child sexual exploitation (CSE) and the use of taxis within that:
- The Jay report, published in 2015 highlighted the failures within Rotherham MBC that allowed CSE to go unchallenged for years.
 - Telford & Wrekin commissioned an independent inquiry into CSE in 2018 that occurred in their local area. The report was published in 2024 which identified a culture of concerns being dismissed resulting in children being let down.
 - In June 2025 Baroness Casey published an independent report into the national issue of 'Group-based child sexual exploitation' with a whole chapter dedicated to taxi licensing. Baroness Casey concluded that the Government must close the 'loophole' of drivers being able to licence anywhere in the country and the 'lack of stringency' of some LAs.
- 2.6** The issue of the differing standards, and how best to address the problem, has been considered by the Government previously. In 2012 the Law Commission carried out a review of the licensing framework. In 2014 a report was published with their findings which included, amongst many other findings, suggestions on the benefits of making national standards across the trade, improving accessibility, tackling cross-border concerns and improved enforcement powers. Appended to the report was a draft Bill that could have been put before parliament, but it never was.
- 2.7** In 2017 the Government established a 'Task and Finish Group' to consider evidence as to the adequacy of the licensing system, including specific reference as to whether the recommendations of the Law Commission report from 2014 should be accepted. The task and finish group chair presented their report to the Secretary of State for Transport in July 2018. The primary focus was to consider ways in which the safety of the public could be protected. Overall, the report made 34 recommendations. The very first recommendation was *"Notwithstanding the specific recommendations made below, taxi and PHV legislation should be urgently revised to provide a safe, clear and up to date structure that can effectively regulate the two-tier trade as it is now"*. A small number of the others have been taken forward nationally by way of Guidance however many have been left to individual authorities to determine to introduce themselves.
- 2.8** The Council have been severely affected by the implications of 'licence shopping' and cross-border hiring. Since the Council implemented the current comprehensive and fit for purpose taxi policy in November 2019, which included increased standards for applicants and licence holders, there has been a large drop in figures of licensed drivers, vehicles and operators.
- 2.9** Officers have been told on multiple occasions through formal consultations, meeting and informal discussions and correspondence that licence holders have left, and new applicants will not apply, because our standards are too high, and they can get licences more easily at other LAs. The table below shows the licence figures for the years 2019 to 2023 taken from the Department for Transport statistics:

	Year					
Licence type	2019	2020	2021	2022	2023	2024
Drivers	1020	972	929	724	616	546
Hackney Carriages	194	173	159	149	141	127
Private Hire Vehicles	600	723	560	515	438	385
Private Hire Operators	68	78	79	69	66	63

With the exception of the private hire vehicle and operator figures from 2019 to 2020, which appear have been as a result of under reporting in 2019, the impact is clear. Since the current policy was brought into force, to 2024, there has been a 47% decrease in drivers, a 35% decrease in hackney carriages and at least 36% decrease in private hire vehicles.

- 2.10 On 16th July 2025 the Transport Committee published their call for evidence to support their inquiry. The last date for submission of evidence is 8th September 2025 and a copy of the Terms of Reference and questions are attached as **Appendix A**.
- 2.11 The authorising of self-driving vehicles and their operation is a new concept within the UK and as such the Government are seeking to put measures in place to allow for such services to be piloted, and authorised, to future proof the area.
- 2.12 On 21st July 2025 the Department for Transport opened a consultation which seeks views on a proposed statutory instrument (SI) relating to 'automated passenger services' and supporting the deployment of commercial self-driving pilots. The last date for submission is 28th September 2025. A copy of the consultation document is attached as **Appendix B**, and a copy of the draft SI is attached as **Appendix C**.
- 2.13 In brief the permitting scheme aims to remove the requirements for licensing the vehicles and operation of them by LAs under the current statutory framework and replace with that a permit that the LA can consent to the applicant/operator using APS within the local area and condition certain aspects such as locations and timings that it would be authorised, or not.
- 2.14 Due to the timelines between the publications of the consultations, the drafting of reports and the Committee schedule, Officers have not yet been able to fully consider either one. However, Officers do believe that the Council should be offering evidence and opinions on both matters, and as such are proposing to draft responses to each and have them agreed by the Chair of the Committee and Portfolio Holder prior to submission.

3. Recommendation

That Members:

- 3.1 Note the contents of the report;

- 3.2 Agree that Officers submit a response, in agreement with the Chair and Portfolio Holder, to the call for evidence in relation to the Transport Committee's Inquiry into the Licensing of taxis and private hire vehicles; and
- 3.3 Agree that Officers submit a response, in agreement with the Chair and Portfolio Holder, to the Department for Transport consultation in relation to Automated passenger services: permitting scheme.

4. **Reasons**

- 4.1 The current taxi licensing framework is outdated and not fit for purpose. These consultations are designed to improve the framework and future proof the regime for better, and to protect the most vulnerable in society. Failure to respond will mean that the Council's views and experiences will not be considered when the Government make their decision on the two matters.

5. **Options Considered**

- 5.1 To not respond to either consultation.
- 5.2 To only respond to one of the consultations.
- 5.3 For officers to respond to the consultations without Member input

6. **Legal and Statutory Implications**

- 6.1 There are no legal or statutory implications from responding, or not, to the consultations. The result of the consultations will be reported back to the Committee as appropriate.

7. **Equality Impact Assessment**

- 7.1 Not applicable.

8. **Financial and Resource Implications**

- 8.1 There are no resource implications identified in responding to the consultations other than officer time which will be met through existing capacity.

9. **Major Risks & Mitigation**

- 9.1 There are no major risks or mitigations identified in responding, or not, to the consultations.

10. **UN Sustainable Development Goals (UNSDG)**

10.1



11. **One Council**

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council: ☐

There are no implications on the one commercial council strategy from responding to the consultations. The results of the consultations may result in increased licence applications or savings on processes.

One Sustainable Council: ☐

There are no implications on the one sustainable council strategy from responding to the consultations. The results of the consultations may result in improved suitability in processes, products and vehicles licensed or used by the Council.

One Digital Council: ☐

There are no implications on the one digital council strategy from responding to the consultations. The results of the consultations may result in improved digital solutions in processes, products and vehicles licensed or used by the Council.

12. **Key Decision Information**

12.1 Not applicable.

13. **Earlier Cabinet/Committee Resolutions**

13.1 Not applicable.

14. **List of Appendices**

14.1 Appendix A - [Transport Committee Call for Evidence – 16th July 2025](#)

14.2 Appendix B – [Department for Transport APS consultation – 21st July 2025](#)

14.3 Appendix C – [Department for Transport Draft Statutory Instrument](#)

15. **Background Papers**

15.1 [Jay Report 2015](#)

15.2 [Telford report 2024](#)

15.3 [Casey report 2025](#)

15.4 [Law Commission report 2024](#)

15.5 [Task and Finish Group report 2018](#)

15.6 [Taxi Licensing Policy 2021-2025](#)

15.7 [Department for Transport Taxi Statistics](#)