

## Unite Parliamentary Briefing: Reforming Taxi and Private Hire Licensing

England's taxi and private hire licensing system is structurally flawed. Drivers licensed in one authority can legally operate almost entirely in another. This has created a national problem of "out-of-area" working and licence shopping, **weakening safeguarding, undermining local accountability, and destabilising local taxi trades.**

The **Casey Report explicitly warned that inconsistent and fragmented licensing regimes create safeguarding risks.** Despite this, the Government has not implemented comprehensive reform.

Without legislative change, **local authorities will continue to lose control over passenger safety standards** in their own areas, and the regulatory system will continue to favour large operators over local workers and communities.

### The National Problem

Taxi and private hire licensing in England is governed primarily by the Local Government (Miscellaneous Provisions) Act 1976. The framework predates modern app-based ride-hailing and allows drivers and operators to be licensed in one area while working predominantly elsewhere.

This has led to:

- **Licence shopping:** Drivers obtaining licences from authorities perceived to have lower fees, faster processing, or lighter regulatory burdens.
- **Mass out-of-area working:** Particularly concentrated in major urban centres and airports.
- **Enforcement gaps:** The authority where the driver operates often has no power to sanction or suspend that driver.
- **Inconsistent safeguarding standards:** DBS processes, training, and conditions vary between councils.

### Wolverhampton and Licence Shopping

The City of Wolverhampton Council has **issued in excess of 40,000 private hire licences**, far exceeding local operational demand. A significant proportion of those drivers operate outside Wolverhampton, including in London, Manchester, Birmingham, Bristol, and at major airports.

This is not unlawful under current legislation. However, it exposes fundamental weaknesses:

- The **licensing authority cannot effectively monitor** drivers working hundreds of miles away.
- The council where the work is actually happening **cannot suspend or revoke the licence.**
- Drivers subject to investigation in one area can **continue operating** under the protection of a remote licence.

- Local authorities and the Local Government Association have repeatedly warned that the current system is unsustainable.

## Wider Geographic Impact

Out-of-area working is now a persistent issue in:

- **Greater Manchester** – local licensing authorities have reported large numbers of out-of-area vehicles operating in the city centre and at Manchester Airport.
- **Liverpool City Region** – similar concerns have been raised regarding enforcement limitations.
- **Birmingham** – West Midlands authorities have highlighted cross-border regulatory challenges.
- **Leeds and West Yorkshire** – growth in out-of-area operators has prompted calls for reform.
- **London** – high volumes of drivers licensed by non-London authorities working within the capital.
- **Airports** have become particular flashpoints because of concentrated demand. Gatwick is one visible example, but the structural issue is national.

## The Casey Report

The independent Casey Review into group-based child sexual exploitation highlighted the risks posed by inconsistent and fragmented taxi and private hire licensing regimes.

The review emphasised that safeguarding standards should not depend on where a vehicle happens to be licensed.

The ability for drivers to obtain licences from authorities perceived to have weaker standards and then operate elsewhere with minimal oversight from the authority where they actually work, creates vulnerabilities. These structural weaknesses are precisely the issues now manifesting in the growth of out-of-area working.

Despite the clear safeguarding concerns raised, comprehensive legislative reform has not yet been delivered.

The Casey Review into group-based child sexual exploitation made clear findings regarding taxi and private hire licensing:

- Inconsistent licensing standards create safeguarding vulnerabilities.
- “Licence shopping” allows drivers to seek out weaker regimes.
- Local accountability is undermined when licensing and enforcement are geographically disconnected.
- The report recommended stronger national standards and more robust oversight. These recommendations have not yet been fully implemented.

Failure to act risks:

- Continued safeguarding inconsistencies.
- Erosion of public trust in the licensing system.
- Further destabilisation of local taxi and private hire markets.
- Increased reputational risk to transport hubs and public institutions.

## Implications of Government Inaction

If Parliament does not act:

- Local authorities will remain unable to regulate their own transport environments.
- Safeguarding standards will continue to vary between regions.
- Local drivers will face ongoing unfair competition.
- Large operators will continue to exploit regulatory fragmentation.
- confidence in the licensing system will decline further.

The longer reform is delayed, the harder it will be to restore regulatory coherence.

## Unite's National Reform Proposals

Unite's proposals are designed to restore regulatory coherence and fairness across England. They include:

- National Minimum Standards for driver vetting, safeguarding, vehicle safety, and operator conduct.  
A Start or Finish Rule – requiring every private hire journey to begin or end in the driver's licensed area (with sensible exceptions such as NHS and school transport).
- Cross-border Enforcement Powers – allowing local authorities to act against any driver or operator working within their boundaries.
- Stronger Sanctions for repeated breaches and unlawful operating practices.
- Retention of Enforcement Revenue by the authority carrying out enforcement to properly resource compliance.

These reforms would restore fairness, improve safety, and strengthen local accountability.

## What We Are Asking MPs To Do

- **Press the Secretary of State for Transport to publish a clear timetable for taxi and PHV licensing reform.**
- **Raise Parliamentary Questions referencing the Casey Report and out-of-area working.**
- **Support legislative amendments that introduce national standards and local enforcement powers.**
- **Engage with Unite representatives and local licensing authorities to understand the scale of the issue in their constituencies.**
- **Advocate for urgent reform in the next legislative session.**

## Conclusion

The evidence demonstrates that out-of-area private hire working is a national regulatory failure. Government has acknowledged the issue, local authorities have warned of enforcement gaps, and the Casey Review has highlighted safeguarding risks. However, meaningful reform has yet to follow.

Parliament now has the opportunity to restore consistency, fairness and public confidence in the taxi and private hire licensing system.

## Contact

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**Unite the Union – Standing up for drivers, passengers and fair regulation.**