

Rt Hon John Healey MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Rt Hon Mark Harper MP  
Secretary of State for Transport  
Department for Transport  
Great Minster House  
33 Horseferry Road  
London, SW1P 4DR

Our Ref: JW/JH29143  
26 February 2024

Dear Mark

**Stop the exploitation of the taxi sub-contracting loophole**

I'm writing to raise with you my concerns on the issues reported to me by my constituents on current regulation over the sub-contracting of taxi journeys and bookings. In raising these concerns, I have also met with and discussed these issues with the Licencing Manager and Chair of the Licensing Committee at our local licencing authority at Rotherham Council.

I raised this same concern in 2014 with the Minister responsible for taxi regulation at the time – Baroness Kramer – about the need for tighter checks on both taxis and drivers, and the need for national standards. My concern then was the same as now but ten years on, there has been no Government action on national safeguards or standards and so I am now raising this with you.

As I trust you will be aware, Rotherham Council implemented significant improvements to our local policy from 2015 for Hackney Carriage and Private Hire licensing. These changes brought about much higher standards and expectations for taxi drivers and vehicles in our borough. These new standards included requirements for applicants such as: completing a BTEC Level 2 certificate; completion of an approved course on safeguarding children and vulnerable people; completing an advanced driving skills test to DVSA standard; and the need for the vehicle to have a taxi camera system installed.

However, I am aware of the increasing problem of taxi companies being able to sub-contract fares and bookings to an out of borough company which then uses drivers and vehicles licenced by a different authority to the one where the original company is based. I understand the Government introduced this concept of sub-contracting after making amendments to private hire legislation through the Deregulation Act 2015. This change has now made it lawful for a Private Hire operator to accept a booking and then sub-contract it to another operator that is licensed by a different local authority.

I'm very concerned this loophole is allowing drivers and vehicles to circumvent our high requirements in Rotherham and obtain a licence from an area where the standards are lower. This would then allow such individuals to work in our borough even though they may have previously had their licence refused or revoked by Rotherham.

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This is clearly highlighted in the example of Wolverhampton City Council where I understand they currently licence just under a staggering 40,000 taxi drivers, compared to around 1,200 licensed by Rotherham. This is even more stark when you consider the populations of Wolverhampton and Rotherham are very similar as shown in the Census 2021 data, with Wolverhampton at a population of just below 264,000 compared to nearly 266,000 in our borough. I'm also informed that our taxi driver levels have remained relatively constant in Rotherham but levels in Wolverhampton have increased significantly since 2015.

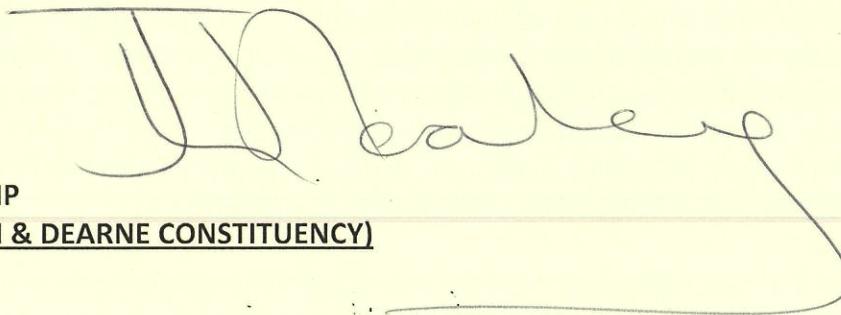
Indeed, our Licencing Manager in Rotherham has advised me how the number of vehicles licenced in Wolverhampton working in our borough has increased significantly over the last 18 months. Whilst vehicles licenced in Rotherham must have a taxi camera fitted, comply with our Council's strict testing, age and emissions criteria, vehicles licenced by Wolverhampton do not have to meet these measures. This is not only undermining the strong policy in our area but also puts at risk Rotherham passengers who might be travelling in a vehicle or with a driver that do not meet our local high standards.

I'm aware the Department of Transport commissioned a task and finish group in 2018 to review the regulatory regime for taxi and private hire vehicle sector and officers from Rotherham Council proudly contributed to this work. Subsequently, the Department published its response to the task and finish group in February 2019 where the Government accepted in its summary three key measures to achieve a safe service for passengers, and this included "National Minimum Standards" as one of these measures.

Given this situation, I'm concerned the necessary action to stop this sub-contracting loophole needs national legislative changes from Government to end this practice. Therefore, I'm writing to request a meeting with you as Secretary of State responsible for the regulation of the taxi trade so we can discuss my concerns together. I would also be grateful for your serious consideration to this sub-contracting issue and the case for change on this problem.

I look forward to hearing from you soon.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J Healey', with a long horizontal flourish extending to the right.

**John Healey MP**  
**(WENTWORTH & DEARNE CONSTITUENCY)**