

Title: Statutory Taxi and Private Hire Vehicle Standards	Impact Assessment (IA)
IA No: DtT00421	
RPC Reference No: RPC-DfT-4210(2)	
Lead department or agency: Department for Transport	
Other departments or agencies: N/A	
	Date: 22 June 2020
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary Legislation
	Contact for enquiries: Taxis@dft.gov.uk

Summary: Intervention and Options **RPC Opinion: GREEN**

Cost of Preferred (or more likely) Option (in 2019 prices)

Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status Qualifying Provision
--£211.3m	--£211.3m	£24.5m	

What is the problem under consideration? Why is government intervention necessary?
 After the failings highlighted in the Jay and Casey Reports into the sexual exploitation of children in Rotherham, and similar failings elsewhere in which taxi and private hire vehicle drivers played a prominent role, legislation was brought forward via the Policing and Crime Act (PCA) 2017 to enable the setting of standards in guidance to licensing authorities to mitigate the risk of further abuse. There are 304 licensing authorities in England and Wales with varying licensing standards and policies. Government intervention is needed to set out common high standards that licensing authorities should adopt when undertaking their licensing function to prevent children and vulnerable adults from coming to harm when using taxis and private hire vehicles.

What are the policy objectives and the intended effects?
 The policy objective is to mitigate as far as practicable the risk to children and vulnerable adults when using taxis and private hire vehicles. The method to achieve this is through inducing consistently high licensing requirements and high standards of rigour in the 'fit and proper' driver assessment among taxi and private hire vehicle licensing authorities in England and Wales, in respect of passenger safeguarding. The adoption of the robust requirements, administration and enforcement of taxi and private hire vehicle licensing proposed in the standards will mitigate the risk to passengers when using taxis and private hire vehicles.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

0. Do nothing – Licensing authorities continue to consider best practice guidance on taxi and private hire vehicle licensing issued in 2010 which predates inquiries into child sexual abuse and exploitation in which the trade played a prominent role. There is also currently a wide range of standards across different authorities that potentially creates public safety risks.

1. Use powers currently available to set statutory standards (Preferred Option) – Will clearly explain the Department's expectations in relation to minimum safeguarding standards. Unlike updated best practice guidance which is voluntary, licensing authorities must consider the statutory standards and the Department intends to monitor adoption levels and engage with licensing authorities that take alternative approaches.

2. Introduce primary legislation – Increase powers in the setting of standards to ensure safety is improved. This cannot be implemented quickly as new legislation would need to be passed

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 07/2025

Does implementation go beyond minimum EU requirements?	No			
Is this measure likely to impact on international trade and investment?	No			
Are any of these organisations in scope?	Micro Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: N/A		Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Veve of Navbika Date: 03/07/2020

Summary: Analysis & Evidence

Policy Option 1

Description: Issuing statutory taxi and private hire vehicle standards for England and Wales.

FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£603.6m	High: -£18.5m	Best Estimate: -£211.3m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£26.9m	-£0.9m	£18.5m
High	£235.3m	£44.4m	£603.6m
Best Estimate	£103.9m	£12.9m	£211.3m

Description and scale of key monetised costs by 'main affected groups'

The main costs of this option will fall directly on taxi and private hire vehicle drivers, operators and local authorities' officials. The present value of our best estimate is that familiarisation with the new statutory standards will cost £0.4m, the DBS checks will save £30m, installation and maintenance of the CCTV system will cost £227.3m, the English test will cost £2.6m and the Safeguarding course will cost almost £9m. These costs are the result of the sum of the transition cost and the annual cost of each policy.

Other key non-monetised costs by 'main affected groups'

- Cost of reviewing the need to implement statutory standards e.g. CCTV in vehicles (local authorities)
- Reduction in supply of taxis and private hire vehicles (business and individuals)
- Increased licensing fees (local authority costs borne by business)
- Adopting a model convictions policy (local authorities)
- Implementing a complaints procedure (local authorities)

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.0	0.0	0.0
High	0.0	0.0	0.0
Best Estimate	0.0	0.0	0.0

Description and scale of key monetised benefits by 'main affected groups'

No monetised benefits due to lack of data and uncertainties of scale and causal relationships.

Other key non-monetised benefits by 'main affected groups'

- Lower insurance costs
- Reduced abuse against drivers
- Increased passenger safety
- Increased passenger demand due to higher user confidence

Key assumptions/sensitivities/risks

Discount rate (%)

3.5%

The statutory standards require licensing authorities to consider whether there is a net benefit in mandating CCTV systems in vehicles it licences, there is therefore uncertainty around number of authorities that will mandate this and consequently the total time and cost of installing CCTV and training, so ranges of up-take ratios and prices have been used in the analysis. The impact from COVID-19 has not been accounted given the high uncertainty of its consequences.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 24.5	Benefits: 0.0	Net: 24.5	122.7

Summary: Analysis & Evidence

Policy Option 2

Description: This option introduces primary legislation to increase power in setting standards.

FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)			
			Low: -£785.6m	High: -£160.1m	Best Estimate: -£472.4m	
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Cost (Present Value)	
Low	£96.6m		£7.7m		£160.1m	
High	£305.8m		£57.9m		£785.6m	
Best Estimate	£198.2m		£33.3m		£472.4m	
Description and scale of key monetised costs by 'main affected groups'						
The main costs of this option will fall directly on taxi and private hire vehicle drivers and operators and local authorities' officials. Our best estimate is that familiarisation with the new legislation will cost £5.6m, the DBS checks will save £27.7m, the CCTV system will cost £482.7m, the English test will cost £2.6m and the Safeguarding course will cost almost £9.2m.						
Other key non-monetised costs by 'main affected groups'						
<ul style="list-style-type: none"> • Cost of reviewing the need to implement the statutory taxi and private hire vehicle standards • Reduction in supply of taxis and private hire vehicle • Increased licensing fees • Adopting a model convictions policy • Implementing a complaints procedure 						
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Benefit (Present Value)	
Low	0.0		0.0		0.0	
High	0.0		0.0		0.0	
Best Estimate	0.0		0.0		0.0	
Description and scale of key monetised benefits by 'main affected groups'						
No monetised benefits due to lack of data and uncertainties of scale and causal relationships.						
Other key non-monetised benefits by 'main affected groups'						
<ul style="list-style-type: none"> • Lower insurance costs • Reduced abuse against drivers • Increased passenger safety • Increased passenger demand due to higher user confidence 						
Key assumptions/sensitivities/risks					Discount rate (%)	3.5%
Total compliance with the National Minimum Standards has been assumed. Sensitivity tests in the form of ranges have been used to reflect the uncertainties of time and cost of installing CCTV, training and familiarisation. The impact from COVID-19 has not been accounted given the high uncertainty of its consequences.						

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 54.9	Benefits: 0.0	Net: 54.9	
			274.4

Contents

Impact Assessment (IA)	1
Summary: Intervention and Options	1
RPC Opinion:	1
Summary: Analysis & Evidence Policy Option 1	2
Summary: Analysis & Evidence Policy Option 2	3
1. Policy Rationale	6
1.1 Policy background	6
1.2 Problem under consideration	6
1.3 Rationale for intervention	7
1.4 Policy objective	8
2. Options considered	10
2.1 DfT consultation on its draft proposals	10
2.2 Option 0: Do nothing (Baseline)	10
Description	10
Effect	10
Impacts	10
Effectiveness of achieving policy objective	10
2.3 Option 1: Issue statutory taxi and private hire vehicle standards (Preferred option)	10
Description	10
Effect	11
Key measures in the statutory taxi and private hire vehicle standards	11
Enhanced Disclosure and Barring Service and barred list checks for drivers	11
In-vehicle CCTV	12
DBS checks for some private hire vehicle operator staff and vehicle proprietors	14
Complaints against drivers and operators	15
Model convictions policy	16
Summary	16
Effectiveness of achieving policy objective	16
2.4 Option 2: Primary Legislation – to set standards in secondary legislation	17
Description	17
Effect	17
Effectiveness of achieving policy objective	17
3. Costs and Benefits	17
3.1 Assessment methodology	17
3.2 Summary	18
Summary of Direct Monetised Costs	18
Summary of Non-Monetised Benefits	19
3.3 Breakdown of Monetised Costs	19
Direct familiarisation costs for taxi and private hire vehicle licensees	19
Direct familiarisation costs to licensing authorities	20

Direct familiarisation costs to private hire vehicle operators	21
Direct cost of CCTV Installation to taxi and private hire vehicles drivers and operators	22
Direct training costs for taxi and private hire vehicle drivers	24
Direct costs of enhanced driver DBS checks and subscription to the Update Service compliance fees	26
Direct cost of private hire vehicle operator DBS checks	27
3.4 Breakdown of Non-Monetised Costs	27
Complaints against driver and operators	27
Model convictions policy	27
Reduction in supply of taxis and private hire vehicles.....	28
Increased licensing fees	28
3.5 Breakdown of Non-Monetised Benefits	29
Improved passenger safety - current 'unfit' drivers exiting the market and potential future 'unfit' drivers deterred from entering the market	29
Northumberland Case Study.....	29
Increased passenger demand due to higher user confidence	30
Reduced abuse against drivers	30
Lower Insurance Costs	31
4. Business Impact Target Calculations	31
5. Risks and unintended consequences	31
6. Wider impacts.....	32
6.1 Economic Impacts	32
Competition Assessment	32
6.2 Social impacts	33
Equalities Impact	33
Safety and Crime Impacts.....	33
6.3 Environmental Impact.....	33
Air quality and GHG emissions impacts.....	34
Noise and nuisance	34
6.4 Trade Test.....	34
7. Small and Micro Business Assessment (SaMBA)	34
8. Summary and Preferred Option.....	35
9. Post implementation review.....	36
10. Analytical Annex.....	39

1. Policy Rationale

1.1 Policy background

1. In both the taxi and private hire vehicle markets, the vast majority of drivers are self-employed, and most lease or own their own vehicle. In the pre-booked market, there is a diverse range of market providers, from national operators such as Uber, OLA and big regional operators like Addison Lee or Delta to small local operators and independent driver/operators.
2. The Government is responsible for setting the regulatory structure within which licensing authorities in England license taxi and private hire vehicle drivers. Taxi and private hire vehicle licensing is devolved in Scotland, Northern Ireland and Wales. It should be noted that as policing and criminal justice is not a devolved matter, the statutory standards issued under the Policing and Crime Act 2017 will continue to have effect in Wales despite devolution of responsibility for taxis and private hire vehicles to the Welsh Assembly in April 2018. The statutory standards would however cease to apply should the Welsh Assembly bring forward its own taxi and private hire vehicle legislation. The Welsh Government has confirmed that it will not legislate in respect of taxis and private hire vehicles during this term of the Welsh Assembly. Since the statutory standards would therefore apply until at least 2021 we have included Wales in the revised assessment.
3. There are 306¹ licensing authorities in England and Wales, each able to set their own standards, including in respect of safety. Legislation however permits pre-booked journeys to be undertaken outside the area in which the driver, vehicle and operator are licensed. While this freedom can provide significant benefits to the public through increased competition and availability, concerns are frequently expressed that passengers are not adequately protected due to differing standards among licensing authorities and the inability of licensing officers to take action against drivers licensed by other authorities. It should however be noted that frequently the differing standards do not relate to safety, but to other things such as topographical knowledge requirements; colour of vehicles; livery; vehicle age restriction both at first licensing; whether tinted windows are permissible; seat configuration; engine size; and visible signage.

1.2 Problem under consideration

4. Inquiries into the child sexual abuse/exploitation (CSAE) cases found taxi/private hire vehicle drivers were implicated, picking children up from children's homes or school to perform sex acts in taxis or transported elsewhere to be abused². Investigations into the licensing regime in Rotherham found 'the licensing service seemed more geared toward facilitating the trade than protecting the public'. Most licensing officers would not, at that time, use a private hire vehicle or allow their families to do so, and many people in Rotherham did not feel safe using taxis and private hire vehicles.
5. The inquiries called for national standards for taxis and private hire vehicles for safeguarding. As a direct response to the child sexual abuse/exploitation cases Parliament provided the Secretary of State with a statutory power to set standards in relation to measures that will protect children and vulnerable adults from harm while using taxis and private hire vehicles (section 177 of the Policing and Crime Act 2017).

¹ There are 284 licensing authorities in England. The latest published statistics state there are 293 licensing authorities. This does not consider the licensing authorities which merged on 1st April 2019 or are due to merge on 1st April 2020. Details of these merges are included in the Analytical Annex.

² Jay Report – Section 8.16 - https://www.rotherham.gov.uk/download/downloads/id/1407/independent_inquiry_cse_in_rotherham.pdf

6. Differing standards in licensing requirements and the rigour with which ‘fit and proper’ assessments are made have contributed to failings in the protection of children using taxis and private hire vehicles³. Engagement with MPs, licensing authorities and other stakeholders has identified a need and desire to harmonise the assessment regime in response to past failings. This will also mitigate the safety concerns that result from drivers licensed by authorities with deficient standards (or less rigorously applied) operating in areas other than that in which they are licensed.
7. Some licensing authorities have cited a concern, both to the Department and during the 2012-2014 Law Commission review, that their ability to raise standards is hindered as operators and drivers may “migrate” to authorities that have lower standards. Strong recommendations from the Department are needed to galvanise a proactive review of safety concerns and potential measures to mitigate the risk posed to passengers of taxis and private hire vehicles in all licensing authority areas.

1.3 Rationale for intervention

8. While the Government acknowledges the efforts of Rotherham and other licensing authorities, operators and drivers to address public safety risks, the Government considers it necessary to act to ensure consistently high standards throughout the sector by setting out its opinion on what should be considered as part of suitable ‘fit and proper’ assessments and other safeguarding measures.
9. The need for Government to act has been supported not only by the inquiries into the CSAE cases, which directly led to the Secretary of State being given statutory powers to set standards, but also by the independently-chaired Task and Finish Group (TFG) on taxi and private hire vehicle licensing that the Department established in 2017. The group had 10 members chosen to represent the breadth and geography of the sector and took submissions from 39 organisations.
10. The report by the Chair, Professor Mohammed Abdel-Haq, was published in September 2018⁴. This made several recommendations to improve the safeguarding of passengers. Central to these was the introduction of national minimum standards to set a high minimum safety standard across every authority. The report recognised that the introduction of national minimum standards through legislation would take time and so recommended that the Department used the existing statutory powers, as a matter of urgency, to explicitly set its expectations of what licensing authorities should be doing to safeguard vulnerable passengers.
11. The Government is therefore using its power under the Policing and Crime Act 2017; the statutory standards set out actions that all licensing authorities should undertake to help safeguard children and vulnerable adults and in turn protect all passengers. All licensing authorities are required by law to “have regard” to the statutory standards when exercising their licensing function. Whilst it remains the case that licensing authorities must reach their own decisions, both on overall policies and on individual licensing matters in light of the relevant law, any failure to adhere to the statutory standards without sufficient justification could be detrimental to a licensing authority’s defence if their policy or decisions were subject to a legal challenge. Any taxi or private hire vehicle may carry a child or vulnerable person in their vehicle at some time, so it is not practicable to restrict the application of the statutory standards to any sub-set of drivers or the sector. The statutory standards will therefore apply to the whole taxi and private hire vehicle sector bringing public safety

³ An example of the differing standards can be found when comparing the number of licensing authorities which require drivers to complete child sexual abuse (CSA) or child sexual exploitation (CSE) training. In 2019 this was 77% of licensing authorities.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833569/taxi-and-phv-england-2019.pdf

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/745516/taxi-and-phv-working-group-report.pdf

benefits to all passengers. Operators and drivers will have little opportunity to shop around for licensing authorities that have deficient safety standards as they will be considered in a similar way against high common standards regardless of the licensing authority. This will also level the 'playing field' and enable fairer competition among drivers and operators by restricting the opportunity to seek out a competitive advantage through reduced costs resulting from deficient standards.

12. In addition to the CSAE cases there is other evidence to support the view that taxis and private hire vehicles are a high-risk environment and that Government intervention is needed. In terms of risks to passengers, this can be seen in the number of sexual crimes reported which involve taxi and private hire vehicle drivers. A 2014 Freedom of Information (Fol) request made to Greater Manchester Police⁵ found there was 37 sexual offences which were "taxi related and/or the victim/offender relationship was that of passenger/driver or driver/passenger" in the previous calendar year. In March 2013, 11,977 licensed vehicles, approximately 5.41% of the fleet in England, were licensed by a Greater Manchester authority. A Fol request made to Merseyside Police indicated 22 assaults in 2011⁶; at that time Merseyside accounted for 4.00% of licensed vehicles. In Kent, 6 sexual offences were reported where the suspect was reported to be an on-duty taxi or private hire vehicle driver; at that time 1.02% of England's taxi and private hire vehicle were licensed there⁷. If similar offence patterns are applied across England it would suggest over 623 sexual assaults per year, with a total cost of £25.6million (2014 prices) based on the average cost of £41,142 (2014 £)⁸ per offence⁹. These figures do not account for the under-reporting of crime which is estimated to be as high as 83% in the Crime Survey for England and Wales¹⁰. This evidence shows that the true costs of sexual offences could be substantially higher than reported crime figures suggest. In addition, the survey also highlights that 28% of victims report not being believed as the primary reason for not reporting the crime. This is of particular relevance to the recommendations on CCTV in vehicles.

1.4 Policy objective

13. The policy objective is to protect children and vulnerable adults from harm. We are seeking to achieve this by increasing the consistency of licensing requirements set by taxi and private hire vehicle licensing authorities and the quality of decisions they make in respect of passenger safeguarding (and by doing so, this will protect all passengers and increase driver safety).
14. The taxi and private hire vehicle licensing legislation is enabling by nature and so licensing requirements cannot be imposed by Government without changes to it. The adherence by licensing authorities to the statutory standards would provide a set of core common standards to address safeguarding issues in relation to children and vulnerable adults. The Department will monitor licensing authorities to ensure the standards are considered.
15. The statutory standards identify ways by which licensing authorities can ensure that decisions are based on the most complete information available, whether this is 'soft intelligence' held internally or from other public protection bodies, better use of the Disclosure and Barring Service (DBS) and an assessment by licensing authorities as to whether in-vehicle CCTV should be required. Adherence to the statutory standards by all

⁵ https://www.whatdotheyknow.com/request/sex_attacks_2

⁶ https://www.whatdotheyknow.com/request/taxi_private_hire_related_rapes#incoming-286178

⁷ <https://www.whatdotheyknow.com/request/415791/response/1022748/attach/html/4/17%2007%20693%20Appendix.pdf.html>

⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191498/Green_Book_supplementary_guidance_economic_social_costs_crime_individuals_households.pdf

⁹ <http://webarchive.nationalarchives.gov.uk/20110218140137/http://rds.homeoffice.gov.uk/rds/pdfs/hors217.pdf>

¹⁰ The CSEW provides reliable estimates of the prevalence of sexual assaults using a consistent methodology that is not affected by changes in recording practices and police activity or by changes in the propensity of victims to report to the police.

licensing authorities would significantly mitigate risk to all passengers, irrespective of which authority issued the licenses.

2. Options considered

2.1 DfT consultation on its draft proposals

16. The Task and Finish Group (TFG) report recommended that the Department should urgently press ahead with its consultation on draft proposals on what licensing authorities should be doing to safeguard vulnerable passengers. The Department ran a 10-week consultation from 12 February to 22 April 2019. The Department received 533 responses from a mixture of passengers, drivers, safety and disability representation groups, private hire vehicle operators, taxi intermediaries and licensing authorities. There was widespread support for all of the proposals including from the TFG. Therefore, the statutory standards are largely unchanged from the draft proposals, although changes have been made in response to requests for further clarity and it has been restructured to make the statutory standards clearer to licensing authorities.

2.2 Option 0: Do nothing (Baseline)

Description

17. Under option 0 no intervention would be made, meaning the taxi and private hire vehicle industry would continue to operate as is i.e. the Government would continue to rely upon individual licensing authorities to identify, and more importantly address, deficiencies in their licensing policy or administration.

Effect

18. To do nothing will continue the present situation where passengers have to rely on licensing authorities to identify and enforce appropriate standards. Variation in safeguarding standards will remain. The existing 2010 best practice guidance was issued before the CSAE reviews identified the prominent role that a small minority of the taxi and private hire vehicle trade played in these cases.

19. There would be no additional direct cost to taxi and private hire vehicle operators or licensing authorities as they can continue to operate as currently.

Impacts

20. This option represents the 'do nothing' scenario and is the counterfactual against which the other options are assessed. Therefore, it is assumed no 'additional' costs or benefits occur and so are not included in the analysis.

Effectiveness of achieving policy objective

21. Option 0 will have no positive effect beyond what the current best practice guidance provides. It therefore does not meet the policy objective. It is expected that variations in fundamental standards and the rigour with which they are applied will persist which directly relate to public safety. The negative costs associated with these issues will continue to occur with no regulatory or voluntary scheme in place.

2.3 Option 1: Issue statutory taxi and private hire vehicle standards (Preferred option)

Description

22. Option 1 makes use of statutory powers enabled by Parliament under the PCA 2017 to set standards to how licensing functions under taxi and private hire vehicle legislation may be exercised so as to protect children and vulnerable adults. Licensing authorities must have regard to the standards, though it is expected all licensing authorities will adhere to the statutory standards, though they are not mandated to follow them. For this reason, the

different monetised costs have been analysed under a range of possible adherence rates. This measure would apply to England and Wales. Updating best practice guidance to include the measures outlined in the statutory standards is effectively the same option as issuing statutory guidance but just with lower uptake rates. This is because the best practice guidance is voluntary, whereas licensing authorities are under a legal duty to act on the statutory standards.

Effect

23. As there is a legal requirement on licensing authorities to consider the statutory standards, which there is not in respect of best practice guidance, this option is expected to achieve the objective of raising standards and improving the rigour of licensing assessments.
24. While complete adherence to all the statutory standards by all authorities cannot be assured, it is the Department's view that the duty on them to have regard to these will necessitate them to evidence that they have considered it. Although it remains the case that licensing authorities must reach their own decisions, it may be that the statutory standards could be drawn on in any legal challenge to an authority's practice, and that any failure to adhere to them without, in the Courts view, sufficient justification could be detrimental to the authority's defence. The Department also plans to promote the statutory standards and monitor licensing authorities to ensure they have considered them.
25. Due to the widespread support for the draft proposals at consultation, explained in section 2.1, the Department expects there to be a high adoption rate of the statutory standards. Though these are for the purpose of protecting children and vulnerable adults; all passengers will benefit from them and they will assist local authorities (which usually act as licensing authorities) with their duty under section 17 of the Crime and Disorder Act 1998 to:

...exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent,

- (a) crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment); and*
- (b) the misuse of drugs, alcohol and other substances in its area; and*
- (c) re-offending in its area.*

Key measures in the statutory taxi and private hire vehicle standards

Enhanced Disclosure and Barring Service and barred list checks for drivers

26. The Department's Taxi and Private Hire Vehicle Statistics published in September 2019¹¹ shows that as of 31 March 2019, all licensing authorities have a policy that an enhanced DBS check must be undertaken as part of the assessment as to whether a taxi or private hire vehicle driver licence should be issued. Twenty-five authorities (8%) advised they do not require enhanced DBS with barred lists¹² check, which will be required as part of the new statutory standards, the reasons why they do not require this are not known. Since the cost of a DBS 'enhanced' and DBS 'enhanced with barred lists' check is the same at £40, it is expected that there are no additional costs of the proposal as part of a driver licence application or renewal assessment. An enhanced DBS check with barred lists shows the same information as an enhanced DBS check, plus whether the applicant is on the list of people barred from working with children and/or vulnerable adults.
27. In addition, the statutory standards state that licensing authorities should mandate that driver licence applicants and holders subscribe to the DBS Update Service, and that the

¹¹ <https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehilces-and-their-drivers>

¹² The DBS barred lists is a list of people who have been barred from working with children or vulnerable adults. It is maintained by the DBS.

authority conducts biannual checks. A subscription to the annual DBS Update Service costs £13 a year. As of 31 March 2019, 82% of licensing authorities reported that an update of the DBS record was only undertaken every three years for taxi and private hire vehicle drivers, this is despite 44% of these requiring drivers to subscribe to the DBS Update Service which makes more frequent checking easier. The Department believes a biannual check is a proportionate measure; a licensed vehicle is subject to a condition check at least once a year and it is reasonable that drivers are subject to more frequent checks than most are currently.

28. The cost of a biannual DBS check via the Update Service over the standard three-year licence is £79 (£40 for the initial certificate, which is already a cost required by all local authorities already, and three years £13 annual subscription) against, for a new licensee, £39 for a renewal compared with £240 for the paper version (£40 per certificate). To avoid unnecessary administrative burden for the licensing authorities and expense for the licence holder, the statutory standards states that licence holders should subscribe to the DBS Update Service. The Update Service enables licensing authorities to check whether new information is available electronically from DBS rather than requesting a new paper certificate be issued each check. Further action would only be required if new information was provided via the Update Service; in which case the licensee would need to request a new certificate and the licensing authority would need to consider whether they remained 'fit and proper'. Subscription to the DBS Update Service will also provide benefits to the trade through greater continuity of licensing, removing the risk of void periods caused by delays in obtaining a new DBS paper certificate.
29. Following consideration of responses to the consultation, the statutory standards have been amended to state that private hire vehicle operators and vehicle proprietors should be subject to annual DBS checks, rather than biannual. This is because these licensees are only eligible for a basic level check (due to the lower risk posed as they are not driving the vehicles), which means the DBS Update Service cannot be used; basic DBS check costs £23. A basic level DBS check should also be required for private hire vehicle operator staff engaged in the taking of booking requests and the dispatch of vehicles.

In-vehicle CCTV

30. The Department's view is that CCTV can provide additional deterrence and protect children and vulnerable adults (and by extension all passengers) from harm when using taxi and private hire vehicle services and investigative value when it does happen. CCTV may also provide a safer working environment for drivers. The standards state that licensing authorities should consult to identify if there are local circumstances which indicate that the installation of CCTV in vehicles would have either a positive or adverse net effect on the safety of taxi and private hire vehicle users and taking into account potential privacy issues. A small number of licensing authorities (4 percent) already require CCTV to be fitted to vehicles.
31. Government has recognised that taxis and private hire vehicles present a high-risk environment to passengers and drivers - this is due to the characteristics of the trade i.e. both passengers and drivers may be alone, potentially vulnerable and unknown to each other. In the case of risk to passengers this was reflected in the decision in 2012 to enable licensing authorities to request enhanced DBS and barred list checks for all drivers, a check usually reserved for those undertaking a 'regulated activity'. This risk was further recognised by Government and Parliament in passing the Policing and Crime Act 2017 and enabling the new powers to protect children and vulnerable adults from harm when using taxi and private hire vehicle services.
32. The high risk of antisocial behaviour and violence posed to drivers should also be considered as part of this assessment. As part of the Law Commission's 2014 review of

taxi and private hire vehicle regulation, passenger and driver safety was considered. The Law Commission consultation also found that: “*Stakeholders agreed that driver safety was a major concern, and it was widely regarded as not appropriately addressed or given adequate consideration under the current regulatory framework. Many stakeholders told us of harassment, robberies and assaults. Serious attacks are often reported in the press, and the murders of taxi and private hire drivers in disputes stemming from their work are, sadly, not rare.*” The Commission engaged extensively and found that “*A number of stakeholders, particularly within the taxi trade, were strongly in favour of a mandatory CCTV requirement.*” The report went on to conclude that “*The evidence we collected during consultation suggests that safety concerns for drivers are best dealt with by requiring safety equipment in vehicles, such as CCTV and vehicle partitions. Furthermore, purpose-built vehicles with in-built safety features are more common in the taxi industry, and regulation should be capable of taking account of this.*”

33. In the Law Commission’s Assessment¹³ an assumption was made that 50 per cent of the murders of 63 taxi or private hire vehicle drivers over a 20 year period were related to their occupation and that the best estimate (based on preventing two deaths per year) would provide annual savings of £3.7million (2014 prices).
34. Due to the differing ways in which crime is recorded by different police forces and the under-reporting of crime, the actual level of offences committed by and against drivers is not known. A report for the Department in 2008 indicated the scale of the problem, which was also identified in the Law Commission’s 2014 report.
35. The true potential benefits of CCTV in terms of crime reduction are difficult to quantify given the under-reporting of crime and limited data available on the effectiveness of CCTV in this situation. However, there have been a number of research papers attempting to quantify the impact of CCTV as a crime preventative measure. Limited studies (in Sheffield and Dunfermline) show associations between drops in crime and CCTV installation in taxis (see para 41).
36. For example, a report for the Swedish National Council for Crime Prevention¹⁴ assessed the effectiveness of CCTV as a means of deterring crime for a number of studies. The results were generally mixed, finding both significant effects in areas such as car parks to non-significant effects in other settings. Overall, the effectiveness depended on factors such as coverage but overall the results suggest that CCTV reduces crime to some degree. This effect may be amplified when applied to a small setting such as a vehicle where offenders would be aware of and deterred by the operation of a CCTV system with high coverage and so a significantly higher chance of detection. An additional piece of research from the Campbell Collaboration found that “*CCTV has a moderate but significantly desirable effect on crime*”.¹⁵
37. As a result of limited data availability, we have made a number of assumptions and, where possible, have highlighted the cost and number of crimes using Freedom of Information requests and Home Office research to provide indicative examples of the magnitude of benefits of crime prevention.
38. A 2002 NACRO report¹⁶ into the effectiveness of CCTV as a crime prevention measure considered the way in which it may prevent crime in this context:

¹³ Page 30: https://s3-eu-west-2.amazonaws.com/lawcom-prod-storage-11jsxou24uy7q/uploads/2015/03/lc347_taxi-and-private-hire-services_impact-assessment.pdf

¹⁴ Brandon C. Welsh David P. Farrington, Closed-Circuit Television Surveillance and Crime Prevention A Systematic Review, Report prepared for The Swedish National Council for Crime Prevention, 2007

¹⁵ Effects of Closed Circuit Television Surveillance on Crime, Welsh, Farrington (2008)
https://www.campbellcollaboration.org/images/meeting/1048_R.pdf

¹⁶ <https://epic.org/privacy/surveillance/spotlight/0505/nacro02.pdf>

- (a) **Deterrence** – The potential offender becomes aware of the presence of CCTV, assesses the risks of offending in this location to outweigh the benefits and chooses either not to offend or to offend elsewhere.
- (b) **Self-discipline by potential offenders** – The threat of potential surveillance acts to produce a self-discipline in which individuals police their own behaviour.
- (c) **Presence of a capable guardian** – The ‘Routine Activity Theory’ suggests that for a crime to be committed there must be a motivated offender, a suitable target and the absence of a capable guardian. Any act that prevents the convergence of these elements will reduce the likelihood of a crime taking place. CCTV, as a capable guardian, may help to reduce crime.
- (d) **Detection** - CCTV cameras capture images of offences taking place. In some cases, this may lead to punishment and the removal of the offenders’ ability to offend (either due to incarceration, or increased monitoring and supervision).

39. Although there is limited evidence of the impact of CCTV in reducing taxi and private hire vehicle crime. There have been a number of trials suggesting the effects could significantly reduce crime. A trial in Sheffield in 2006/7 (the Sheffield Taxi Camera Safety Project¹⁷) indicated a reduction in the proportion of journeys where there was an incident (ranging from fare disputes to assaults) from 15% to 1%. Another trial was undertaken in Dunfermline¹⁸, looking at the impact of fitting CCTV into 30 vehicles over a period of 10 months (May 2014 – February 2015). The results suggest that there was a significant reduction in taxi related crime compared to the previous year where no CCTV was installed.¹⁹

40. It is the Department’s view that CCTV in taxis and private hire vehicles can play a significant role in the reduction of crime within and related to the trade. This includes offences perpetrated by drivers against passengers and vice-versa, as set out in the ‘problem under consideration’ section above. The inclusion in the standards that licensing authorities should undertake a thorough review of the benefits of mandating CCTV in taxis and private hire vehicles is focussed on improving the safety of children and vulnerable adults as this is the aim of the PCA 2017 powers under which the standards are issued.

41. However, for the purpose of this assessment the wider benefits have been considered. As previously stated, section 17 of the Crime and Disorder Act 1998 places a direct responsibility on licensing authorities to prevent crime and disorder in their area. CCTV can play a role in preventing crime, detecting and evidencing this where it persists.

42. The high level of self-employment in the sector means that for this recommendation to be effective, this requirement would need to be applied to all licensed vehicles and not just those in large fleets as the majority of journeys are undertaken in owner-driven vehicles.

DBS checks for some private hire vehicle operator staff and vehicle proprietors

43. The measures proposed in the statutory taxi and private hire vehicle standards seek to provide consistently high standards in taxi and private hire vehicle licensing throughout England and Wales to safeguard children and vulnerable adults and by extension to reduce crime. The Department has also looked at measures to prevent circumvention of these robust measures.

44. Drivers are the primary contact point for passengers using taxis and private hire vehicles, and as such are in a position of trust. However, members of staff working for a private hire

¹⁷ https://www.calderdale.gov.uk/nweb/COUNCIL_minutes_pkg.view_doc?p_Type=AR&p_ID=3412

¹⁸ <https://www.cabdirect.com/taxi-cctv-lowers-crime-rate-in-dunfermline/>

¹⁹ The trial reports lowering taxi related incidents from 41 in the previous year down to two during the period when CCTV was installed.

vehicle operator who are responsible for receiving bookings and dispatching vehicles also have a role which offers opportunity to someone seeking to abuse that position. For example, such a person would potentially have the opportunity to send an unlicensed driver and vehicle, particularly if the motive is to facilitate a crime against a child or vulnerable adult.

45. Private hire vehicle operators are also provided with information that could enable other crime. For example, private hire vehicles are frequently used to take passengers to an airport and are given return flight details to facilitate the return journey. This means that private hire vehicle staff are aware of periods where family members are home alone or the home unoccupied. Requiring background checks on those individuals subject to sensitive information may assist licensing authorities in meeting their responsibilities under section 17 of the Crime and Disorder Act 1998 to prevent crime in their area.
46. Licensing authorities are not able to vet private hire vehicle staff other than drivers and the operator licence holder. However, as part of a 'fit and proper' test for an operator's licence, a licensing authority is able to consider the measures that it may take to ensure the suitability of staff involved with the taking of bookings, dispatch of vehicles and/or have access to such information as detailed above. While it is the responsibility of private hire vehicle operators to make decisions on the suitability of staff they employ, the ability of 'back office' staff to circumvent safeguarding measures or facilitate other crime should be considered by a 'fit and proper' operator. Accordingly, the statutory standards state that licensing authorities should require operators to request basic DBS checks for relevant staff, and either produce a convictions policy or adopt one which the licensing authority applies to the licensing of operators for staff in roles which involve the taking of bookings, dispatch of vehicles.
47. The Department has sought information on the number of staff that might fall within this category but, due to the fragmented nature of licensing, differing business models and the increased use of technology to undertake booking and dispatch functions, it has not been possible to obtain sufficient data.
48. The role of a vehicle proprietor is also open to abuse and can enable circumvention of the standards detailed to ensure that drivers of licensed vehicles are 'fit and proper' to carry the public. A vehicle proprietor might permit the use of a licensed vehicle to an unlicensed and unvetted driver. The Department's view is that a lower risk is posed by unscrupulous vehicle proprietors as, unlike drivers, they are not in the same high-risk situation (i.e. alone in a vehicle). An annual basic level DBS is therefore considered appropriate. As previously stated, a majority of vehicles are owner-driven; where this is the case the driver would already be subject to a higher-level check so no additional costs would be incurred.

Complaints against drivers and operators

49. Licensing authorities should produce guidance for passengers on making complaints directly to the licensing authority. This is likely to result in additional work for the licensing authorities but has the advantage of ensuring consistency in the handling of complaints. Currently, it is more likely that a complaint against a taxi driver would be made directly to the licensing authority whereas a complaint against a private hire vehicle driver is more likely to be made to the operator. A systematic recording of complaints will provide a further source of information to consider when renewing a licence for a driver or operator or identify problems during the period of the licence.
50. The Local Government Association recommends that all councils should have a robust system for recording complaints, including analysing trends across the whole system as well as complaints against individual drivers. Drivers with a high number of complaints

made against them should be contacted by the licensing authority and concerns raised with the driver and operator (if appropriate).

Model convictions policy

51. The Department has not previously published a guide on the consideration of criminal convictions policy, leaving this to licensing authorities that are accountable to their communities. The increase in demand for private hire services and the use of technology in recent years has resulted in more cross-border operation of taxis and (particularly) private hire vehicles; the adoption by all licensing authorities of a convictions policy aligned with that in the statutory taxi and private hire vehicle standards will mitigate personal safety risks, perceived or actual, that may exist as a result of cross-border hiring. The Department has therefore adopted in the standards key elements of the guidance published by the Institute of Licensing (IoL) on determining the suitability in taxi and private hire vehicle licensing²⁰ to increase consistency in decision making.
52. All licensing authorities should review their convictions policies and undertake a review of all licences held against their new policies as a matter of urgency. The continued licensing of drivers or operators that do not meet their new policy should be considered. Such licence holders should be judged on their own merits, licensing authorities considering afresh if, on the balance of probabilities, that person remains 'fit and proper'. This is a one-off administrative review. It is not possible to estimate a cost as the number of drivers or operators convicted of an offence covered in the final conviction policy is not known. However, given the nature of these offences (sexual, driving, violence and dishonesty) the Department considers that the proportion of drivers and operators currently licensed with a relevant conviction would be extremely small.

Summary

53. Parliament has granted the Secretary of State new powers to mitigate the risk to children and vulnerable adults from harm when using taxis and private hire vehicles. The standards are considered by the Department for Transport to be reasonable, practicable and necessary to achieve common core standards that protect this group when using these services. This will have the additional benefit of increasing the safety of all passengers and drivers.
54. Although the standards are focussed on the protection of children and vulnerable adults, and by extension all passengers, drivers of taxis and private hire vehicles are a particularly vulnerable group and would receive considerable increased protection from crime.
55. The proposals were subject of a public consultation giving regulators, the trade and the public the opportunity to consider the arguments presented and shape the final document. Although the Department expects all the standards will be implemented by all licensing authorities, the taxi and private hire vehicle licensing legislation is enabling by nature and so ultimately it would be for each of the 306 licensing authorities in England and 22 in Wales to decide whether and how to implement and enforce these.
56. The Department believes public safety benefits will accrue from the introduction of the standards; adoption levels and potentially crime figures will be used to assess whether these have been effective in meeting the policy objectives of protecting children and vulnerable adults. Government has committed to further action where needed, to ensure a safe and well-functioning taxi and private hire vehicle sector.

Effectiveness of achieving policy objective

²⁰ [https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_\(16_May_2018\).pdf](https://www.instituteoflicensing.org/documents/Guidance_on_Suitability_Web_Version_(16_May_2018).pdf)

57. Option 1 would meet the outlined policy objectives and is the most effective option to bring about safeguarding improvements quickly and so it is the preferred option.

58. The Department is confident that statutory standards are the most appropriate form of action to protect children and vulnerable adults given the seriousness of the safeguarding risks that have been exposed. Whilst primary legislation would make the requirements mandatory, wider pressures on the legislative programme meant that it was not possible to bring forward legislation during this parliamentary session. Given the failings of existing local authority licensing systems in relation to the role of taxi and private hire vehicle drivers in child exploitation cases, the issuing of statutory standards, which licensing authorities are under a statutory duty to consider, is the preferred option to quickly set out Government expectations in respect of safeguarding standards to protect children and vulnerable adults.

2.4 Option 2: Primary Legislation – to set standards in secondary legislation

Description

59. This option would introduce primary legislation to increase the powers available to set broader standards. Further secondary legislation would be used to set out and define the broader standards and further impact assessments would be produced. Therefore, this assessment looks at scoping out the costs and benefits of training requirements which could be included in the standards.

60. This would enable the Government to implement requirements that must be met before the issuing of taxi and private hire vehicle licences (whether for drivers, vehicles or operators) and standards that must be met to retain a licence. The broader standards themselves and the details of them would be set out in regulations and only apply to England. In this case, all the parties involved would need to comply with the new requirements. The expectation is that the Statutory Taxi and Private Hire Vehicle Standards would be included in broader standards, although the exact requirements would be finalised at the time.

Effect

61. Broader standards would give passengers greater assurance that wherever a driver and vehicle have been licensed, a nationally agreed minimum threshold has been met for how they have been assessed as suitable to be licensed.

62. Some licensing authorities would already apply all, or some, of the broader standards; those which do not will be compelled by their public law duty to apply these.

Effectiveness of achieving policy objective

63. Option 2 would meet the outlined policy objectives; however, it will take time to implement the legislation needed meaning the risk to children and vulnerable adults will persist in the meantime. For this reason, this is not the preferred option.

3. Costs and Benefits

3.1 Assessment methodology

64. This assessment identifies both monetised and non-monetised impacts of intervention, with the aim of understanding the overall impact on society and the wider environment. The costs and benefits of each option are measured against the “do nothing” option. Assessments place a strong emphasis on valuing the costs and benefits in monetary terms. However, there are important aspects that cannot sensibly be monetised. These

might include impacts on equality, either positive or negative, or enhanced (or diminished) public confidence.

65. The assessment process requires that we make an assessment of the quantifiable costs and benefits. Where possible we have spoken to practitioners to inform our view of the likely aspects to be affected by the change in policy and have used this as the basis for our calculations. Where it has not been possible to obtain a rough indication of numbers in this way, we have had to make an estimate. In such cases we have attempted to take a conservative approach and have tended to use figures that we considered likely to underestimate benefits and over-estimate costs.
66. In the absence of sufficient data, we have used a range of estimates in our calculations. Some of the assumptions apply in both the cost and benefit calculations. When calculating the net present value (NPV) for the assessment we have used a time frame of ten years, with the latest year of available data (2019/20) being year 0. We have assumed that the transitional costs and benefits occur in year 0, with any exceptions to this rule being clearly identified, and ongoing costs and benefits accrue in years 1 to 10. We have discounted the values accordingly using a discount rate of 3.5% in all cases, in accordance with HM Treasury guidance, the Green Book. Unless stated, all figures are in 2019/20 prices, and have been updated using the EANDCB calculator.

3.2 Summary

Summary of Direct Monetised Costs

67. Table 1 below shows the total estimated monetised costs under the three scenarios of each option over the 10 year appraisal period. All costs are presented in 2019 prices and 2020 base year²¹. The costs are composed of:
- CCTV system in current and future vehicles;
 - Renewing CCTV system;
 - Cost of safeguarding awareness training;
 - Cost of the English language minimum test;
 - Cost of DBS checks for operators;
 - Cost of DBS checks subscription;
 - Familiarisation costs.
68. For statutory standards (option 1), the existing requirements on licensing authorities are not altered. However, the Department expects that licensing authorities will follow the recommendations stated in the new standards. The only additional requirement is that licensing authorities consider the statutory standards. The standards set out how licensing authorities extensive existing powers should be used to protect children and vulnerable adults from harm when using taxi and private hire vehicle services. While licensing authorities have a duty to consider these they are independent decision makers who will assess the local evidence and implement those requirements needed for their area. Licensing authorities are able to deviate from the standards should there be good reasons to do so, such as a specific risk profile in their area.
69. Although it is not mandatory for licensing authorities to change their licensing requirements, and there are no automatic and unavoidable changes to business practice resulting from this measure, it is expected that most of the proposed changes will be implemented in many licensing authorities. These proposals may increase costs for operators and drivers currently operating and may increase the barriers of entrance for potential competitors; the extent is dependent on the current standards applied and on which measures proposed are adopted. The impacts would alter the taxis and private hire

²¹ Please note that figures in the summary tables on pages 2 and 3 are in 2016 prices and 2017 present value base year.

vehicles market which is regulated, and would cause a partial equilibrium rather than a new general equilibrium in the economy. Therefore, all the above costs have been considered as direct, and so are included in the equivalent annual net direct cost to business (EANDCB) and in the net present value (NPV). Any costs on business will result from licensing authorities independently assessing the costs and benefits of changing licensing in their area and then deciding to adjust the licensing requirements, following the standards. As the take-up rates of the standards are unknown, although we expect that many licensing authorities will follow them, we have conducted sensitivity analysis in the form of different take-up rates to illustrate the potential impact on businesses.

70. For increased powers to set national minimum standards through primary legislation (option 2), all the above costs are considered direct costs to business too as all licensing authorities and licensees will have to adhere to the new legislation. The differences in impacts between options 1 and 2 are due to differences in compliance levels and the exclusion of Wales from the legislation setting the broader national minimum standards.

Table 1: Monetised Costs Summary

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Taxi and Private Hire Vehicle Standards	£18.5m	£211.3m	£603.6m
Option 2: Primary Legislation	£160.1m	£472.4m	£785.6m

Summary of Non-Monetised Costs

- Cost of reviewing the need to implement the statutory taxi and private hire vehicle standards
- Complaints against driver and operators
- Model convictions policy
- Reduction in supply of taxis and private hire vehicles
- Increased licensing fees

Summary of Non-Monetised Benefits

- Improved passenger safety - current 'unfit' drivers exiting the market and potential future 'unfit' drivers deterred from entering the market
- Increased passenger demand due to higher user confidence
- Reduced abuse against drivers
- Lower insurance costs

3.3 Breakdown of Monetised Costs

Direct familiarisation costs for taxi and private hire vehicle licensees

71. For option 1, there may be some taxi and private hire vehicle licensees who decide to familiarise themselves with the statutory standards ahead of the licensing authorities instructing them on any actions to take. The number of licensees who do this is expected to be very low as they are likely to wait for the licensing authorities to consider and potentially change policy/requirements. This assumption is supported by there being very few responses to the consultation suggesting licensees are unlikely to read the standards ahead of being instructed by the licensing authority. As a central estimate, we have assumed 5% of licensees will familiarise themselves with the standards before changes to licensing authority requirements.

72. For option 2, this cost covers the familiarisation of the primary and secondary legislation which will increase the powers to implement and set a broader set of standards. As all licensees will have to follow this, the uptake rate is 100%.
73. This is assumed to be a one-off direct transition cost incurred by taxi and private hire vehicle drivers when the standards are introduced in 2020. We assume that there will be no additional costs to new licensees as it is not considered that either the standards or any new legislation would be an additional burden on top of the current legislation and standards that they currently have to familiarise themselves with when entering the market. Additionally, for new licensees entering the market, they have the choice whether or not to enter the market, meaning if there were to be any familiarisation costs, they are not immediate and they are avoidable, which would make them indirect costs.

Table 2: Direct familiarisation costs for taxi and private hire vehicle drivers

Methodology: This is calculated by estimating the opportunity cost of familiarisation. As the familiarisation cost only applies to existing licensees and is a one-off transition cost for the first year, it is calculated by the:

- uptake rate
- forecast number of drivers in 2020
- number of hours familiarisation is estimated to take
- average driver wage per hour.

Details of the assumptions are in the tables 13 and 14 of the Analytical Annex.

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Taxi and Private Hire Vehicle Standards	£122,932	£252,040	£387,324
Option 2: Primary Legislation	£2,379,112	£4,880,076	£7,502,890

Direct familiarisation costs to licensing authorities

74. Licensing authorities will need to familiarise themselves with the new standards. This is assumed to be a one-off direct transition cost incurred by licensing authorities when the scheme is introduced in 2020 for option 1 or 2021 at the earliest for option 2. It is assumed this cost will be passed on to businesses through increased licence fees. Therefore, it is counted as a direct cost to businesses. For option 2, this cost covers the familiarisation of the primary and secondary legislation which will increase powers to implement and set broader standards.
75. We have assumed 2 officials per licensing authority will spend 14 hours each getting familiarised with the new standards. These estimates are highly uncertain due to the lack of knowledge of the current regime and governance structures of each licensing authority. However, most licensing authorities would have been aware of our consultations on the draft version of the standards, as well as the safeguarding recommendations of the Task and Finish Group on taxi and PHV licensing, included in the statutory standards. Hence, we assume they would have had a broad understanding of the issues covered.
76. Although we do not know how much time each licensing authority will spend on considering the standards and how their existing policies will need to be changed, we believe that it would be relatively straightforward for an informed licensing authority officer

to read through the new standards and prepare the documents to consider the need for change in the licensing policies.

77. Licensing authorities will have different review and sign-off processes to follow and varying amounts of updates required; with some requiring few or none. We do not have any evidence on how long it will take each of the 304 licensing authorities to go through this process so have assumed an average of 14 hours. This cost was not monetised in the consultation Impact Assessment and no further evidence was provided during consultation.

78. It was considered proportional to not explore this further since it is not a direct cost to business under the Business Impact Target (BIT) as it will be passed on through licensing fees.

Table 3: Direct familiarisation costs to licensing authorities

Methodology: This is calculated by estimating the opportunity cost of familiarisation. As the familiarisation cost only applies to existing licensing authority staff and is a one-off transition cost for the first year, it is calculated by:

- uptake rate
- estimated number of licensing authority staff in 2020
- the number of hours familiarisation is estimated to take
- the average licensing authority staff wage per hour.

Details of the assumptions are in the tables 13 and 14 of the Analytical Annex.

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Taxi and Private Hire Vehicle Standards	£71,504	£143,009	£286,018
Option 2: Primary Legislation	£66,364	£132,727	£265,454

Direct familiarisation costs to private hire vehicle operators

79. For option 1, there may be some taxi and private hire vehicle operators who decide to familiarise themselves with the standards ahead of the licensing authority instructing them on any actions to take. This is estimated to be a small proportion of operators; the central estimate is 5%.

80. For option 2, this cost covers the familiarisation of the primary and secondary legislation which would increase the powers to set broader standards. As all operators will have to follow this, the uptake rate is 100%.

81. This is assumed to be a one-off direct transition cost that will incur when the scheme is introduced in 2020 for option 1 or 2021 at the earliest for option 2. We assume that there will be no additional costs to new operators as it is not considered that either the standards or any new legislation would be an additional burden on top of the current legislation and standards that operators currently have to familiarise themselves with when entering the market.

Table 4: Direct familiarisation costs to operators

Methodology: This is calculated by estimating the opportunity cost of familiarisation. As the familiarisation cost only applies to existing operators and is a one-off transition cost for the first year, it is calculated by:

- uptake rate
- the forecast number of operators in 2020
- the number of hours familiarisation is estimated to take
- the average operator wage per hour.

Details of the assumptions are in tables 13 and 14 of the Analytical Annex.

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Taxi and Private Hire Vehicle Standards	£15,452	£30,939	£46,462
Option 2: Primary Legislation	£293,981	£588,434	£883.361

Direct cost of CCTV Installation to taxi and private hire vehicles drivers and operators

82. The statutory standards require licensing authorities to review whether CCTV should be mandated in taxis and private hire vehicles as a proportionate means to protect children and vulnerable adults; they should also consider their wider responsibility under section 17 of the Crime and Disorder Act 1998 to exercise its various functions to do all that it reasonably can to prevent crime and disorder in its area. This measure is expected to result in several types of costs which we have defined as:

- Planning and Feasibility.
- Technical Requirements.
- Roll-out.
- Installation and maintenance.

83. The first three categories are costs which will fall to licensing authorities. We have not monetised these because they would involve making a number of assumptions that we believe are unlikely to hold in reality. In particular we would have to assume that costs of reviewing and planning are the same for all licensing authorities which would most likely not be the case. As well as this we would have to make an assumption on the number of licensing authorities that would decide to adopt the statutory standards. For these reasons we have decided not to monetise these particular costs.

84. The final category, installation and maintenance, will fall to the owners of taxis and private hire vehicles. We have estimated the direct cost to them of this recommendation below.

85. Currently, only 13 licensing authorities require that taxis have a CCTV system fitted, while only 11 licensing authorities require it for private hire vehicles. The rest either allow or do not allow CCTV in vehicles. Table 5 below shows that for licensing authorities which require CCTV to be fitted, compliance is high given the small sample size; 81.3% for taxis in England and 71.1% for private hire vehicles. This is due to licensing authorities allowing time for fleets to meet new licensing requirements such as installing CCTV. As the statutory standards will not affect the licensing authorities who already require it, we have assumed 100% of vehicles in these licensing authorities have CCTV fitted. On the other hand, less than 1% of vehicles in licensing authorities not requiring CCTV to be fitted have it. For simplicity, for these licensing authorities we have assumed no vehicles are fitted with CCTV.

Table 5: Percentage of vehicles with CCTV fitted according to licensing authority requirements

Source: National Travel Survey 2019²²

CCTV Policy	England		Wales	
	Taxi	Private Hire Vehicles	Taxi	Private Hire Vehicles
Allow (96% taxi; 95% PHV)	0.6%	0.2%	0.1%	0.4%
Not Allowed (2% taxi; 1% PHV)	0.0%	0.0%	0.0%	0.0%
Require (4% taxi; 3% PHV)	81.3%	71.1%	0.0%	0.0%
All	3.4%	2.0%	0.1%	0.0%

86. In order to assess the impact of installing CCTV, some CCTV companies and licensing authorities have been contacted to estimate the price. Their answers have been a range between £515 and £550 for five years, which include the equipment and the cost of running it, plus an installation cost that varies between £80 and £100, amounting to an average of £622.50 for the system, plus installation and maintenance. They also indicated that on average the CCTV will need to be refitted every five years. To reflect the uncertainty of this installation cost, we have conducted sensitivity analysis of +/-50% cost for the high and low scenario.

87. For option 1, licensing authorities should review the need for vehicles in their area to be fitted with CCTV. As we do not know how many will decide to fit CCTV on review, we have looked at three scenarios to estimate the potential cost. The central uptake rate is estimated to be 50% of eligible vehicles, lower 25% and higher 75%.

88. To put these scenarios into context we have looked at how many licensing authorities could be included in each scenario. This is shown in table 6 below, where it considers the number of vehicles in each licensing authorities. For example, under the central scenario of 50% uptake of vehicles, this equates to either the 10 largest licensing authorities (including London, which represents the 36% of the total number vehicles) or the 305 smallest licensing authorities (which includes the smallest licensing authorities, West Somerset, accounting for only 0.02% of vehicles, up to Sheffield, which accounts for 0.85% of vehicles). These different uptake scenarios are caused by the difference in the number of vehicles registered in each licensing authorities.

²² <https://www.gov.uk/government/collections/national-travel-survey-statistics>

Table 6: Number of licensing authorities requiring CCTV to be fitted in each scenario

Size of Licensing Authority	Smallest			Largest			Mixed type		
	Low 25%	Central 50%	High 75%	Low 25%	Central 50%	High 75%	Low 25%	Central 50%	High 75%
Scenario - % of vehicles fitted with CCTV									
Licensing Authorities needed	Smallest 243	Smallest 305	Smallest 285 and London	Largest (excl. London)	Largest 10 (incl. London)	Largest 73 (incl. London)	Largest 11 (excl. London) and 55 middle range	Largest 3 (incl. London) and smallest 147	Largest (incl. London), smallest 260 and 14 middle range

89. Further explanation of this table 6 is included in the Analytical Annex, in tables 13, 15 and 16.

Table 7: Direct CCTV system and installation cost to taxi and private hire vehicle drivers and operators

Methodology: This is calculated by estimating cost of the CCTV system plus the installation in a vehicle. It has been calculated by:

- uptake rate of vehicles that would have to fit it
- estimated number of vehicles
- cost of the system and installation.

Details of the assumptions are in tables 13 and 15 of the Analytical Annex.

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Standards	£48,929,542	£227,337,259	£594,350,363
Option 2: Primary legislation to increase powers	£189,282,568	£482,725,631	£770,311,922

Direct training costs for taxi and private hire vehicle drivers

90. Drivers can be an asset in the detection and prevention of abuse or neglect of children and vulnerable adults. However, this is only the case if they are aware of and alert to the signs of potential abuse and know where to turn to if they suspect that a child or vulnerable adult is at risk of harm or is in immediate danger. The statutory standards state that drivers should be required to undertake safeguarding training, which is a direct cost to them. For option 1, some licensing authorities will decide to implement the suggested training in the standards. The training requirements will be set by licensing authorities, so this assessment looks at some potential safeguarding training which could be undertaken to meet the statutory standards. Due to the variability in local standards, some licensing authorities already require safeguarding training. We have looked at some of these licensing authorities and used their current training requirements as a proxy for what could be asked of drivers if licensing authorities implement this aspect of the statutory standards. More detail on this is included in the analytical annex (Table 13, 18 and 19).

91. For statutory standards, option 1, we have assumed most licensing authorities will implement some safeguarding training, but to reflect the uncertainty have looked at three uptake scenarios; low scenario with 90% of drivers attending an hour length course costing £10, central scenario with 95% of drivers attending a two-hour length course costing £30, and a high scenario with 100% of drivers attending a four-hour length course costing £50.

Table 8: Direct training costs for taxi and private hire vehicle drivers

Methodology: This consists of the opportunity cost of the driver attending the training and the cost of attending the training. The cost and duration of training, and number of drivers needing training is based on current licensing authority training requirements. Details of the assumptions are in tables 13, 18 and 19 of the Analytical Annex. Training is assumed to be a one-off cost in the appraisal period.

Existing drivers: Some existing drivers are licensed by an authority which already requires the training. Therefore, the cost of attending the training is calculated as follows: *cost of attending training + (duration of course x hourly wage) x number of forecast drivers in 2020 needing the training*

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Standards	£2,759,860	£8,957,500	£21,716,244
Option 2: Primary legislation to increase powers	£2,980,245	£9,201,255	£21,268,094

Direct cost of English language minimum standard test to taxi and private hire vehicle drivers

92. The statutory standards include a minimum English language proficiency requirement, as a lack proficiency could impact on a driver’s ability to understand written documents, such as policies and guidance, relating to the protection of children and vulnerable adults and applying this knowledge to identify and act on signs of exploitation. It is likely that the standards resulting from new primary legislation will also include this. To demonstrate the potential scale of this cost, this assessment looks at the potential cost of requiring eligible drivers to complete an English language minimum standard test. This burden will fall directly on drivers and operators. We have taken a maximalist approach, please see the Analytical Annex for further details (Table 13 and 20).

Table 9: Direct cost of English minimum standard test to taxi and private hire vehicle drivers

Methodology: This consists of the opportunity cost of the driver attending the test and the cost of attending the test. Details of the assumptions are in the tables 13 and 20 of the Analytical Annex.

The cost of attending the test is calculated as follows: *cost of attending test + (duration of test × hourly wage) × number of forecast existing drivers needing to take the test in licensing authorities which do not currently require the test*

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Standards	£1,116,245	£2,555,777	£5,169,540
Option 2: Primary legislation to increase powers	£1,205,381	£2,625,326	£5,062,858

Direct costs of enhanced driver DBS checks and subscription to the Update Service compliance fees

93. The statutory standards state that licensing authorities should do an enhanced DBS check on drivers, and we expect that this would be included in broader standards enabled under new primary legislation. The enhanced and barred lists check does not involve any more time or money than an enhanced DBS check alone, so there is no impact on drivers or licensing authorities for this.

94. The statutory standards also state that drivers subscribe to the DBS Update Service. This involves paying an annual subscription of £13 which allows the drivers to keep their DBS certificates up to date and employers to check the status of the certificates at any time. This means drivers do not have to pay £40 to get a new DBS certificate every time the licensing authority wants to check it. However, the subscription fee is a direct cost to businesses.

95. Currently, most drivers are requested to have DBS checks but a great majority are not subject to any subscription. It has been assumed that all drivers are subscribed to DBS if the licensing authority requires it, and that no drivers are if the licensing authority does not require it. There is expected to be a saving for drivers subscribing to the Update Service, so the uptake rate is anticipated to be very high. Table 10 summarises the cost to drivers for DBS checks and subscribing to the Update Service. Details of the assumptions can be found in the tables 13 and 17 of the analytical annex.

96. This new standard would also have the non-monetised savings of time and procedure. Currently all the parties have to spend time with the renewal of the DBS checks, and there might be the risk that, due to a delay, some drivers are not able to work. With such change, this time and risk might be reduced.

Table 10: Direct cost of DBS checks on drivers

Methodology: This consists of the cost of existing drivers subscribing to the Update Service and new ones getting DBS checks done.

Details of the assumptions are in tables 13 and 17 of the Analytical Annex.

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Standards	-£37,459,457	-£43,465,555	-£47,921,277
Option 2: Primary legislation to increase powers	-£39,141,664	-£43,195,414	-£47,676,599

Direct cost of private hire vehicle operator DBS checks

97. The statutory standards state that licensing authorities should conduct a basic DBS check on those applying for a private hire vehicle operator licence and that an annual check is made on those granted a licence. The standards also say that private hire vehicle operators should require a basic level DBS check for their staff engaged in the taking of booking requests and the dispatch of vehicles; it is expected that these would also be included in broader standards enabled by new primary legislation. The costs of the check fees would fall directly on businesses.

98. Currently, the number of licensing authorities requiring a DBS check on operators is not recorded as part of the annual taxi and private hire vehicle survey and so we have assumed no licensing authorities require this. Due to the lack of data, we have considered three scenarios in which several staff members of the operators would need a DBS check. It is important to note that these scenarios have been proposed under high levels of uncertainty. Details of the assumptions used are in the analytical annex (Table 13 and 17).

Table 11: Direct cost of DBS checks on operators

Methodology: This consists of the cost of operators getting a DBS check done.

Details of the assumptions are in the tables 13 and 17 of the Analytical Annex.

The cost is calculated as follows: *number of operators x number of staff per operator needing a DBS check x cost of DBS check*

Option	Scenario costs		
	Low	Central	High
Option 1: Statutory Standards	£2,921,355	£15,510,660	£29,564,854
Option 2: Primary legislation to increase powers	£3,083,348	£15,481,676	£27,984,443

3.4 Breakdown of Non-Monetised Costs

Complaints against driver and operators

99. Many licensing authorities have already adopted a complaints procedure similar to that suggested in the statutory standards. It is therefore expected to be a minimal cost and would be complex to monetise as it is down to the licensing authorities' discretion how they design and implement the complaints policy. On a balance of proportionality, we have not monetised this cost.

Model convictions policy

100. Many licensing authorities have already adopted model conviction policies that mirror or exceed the policy in the statutory standards. It is therefore expected to be a minimal cost

and would be complex to monetise as it is down to the licensing authorities' discretion how they design and implement the convictions policy. For example, the policy in the statutory standards says all licences should be reviewed but some licensing authorities may decide not to review those within 6 or 12 months of expiring or those recently issued. On a balance of proportionality, we have not monetised this cost.

Reduction in supply of taxis and private hire vehicles

101. The higher standards may cause some 'fit and proper' drivers to exit the market due to increased costs and requirements (such as passing the English proficiency test) and so reduce supply.
102. This represents a cost to drivers who left the market or are prevented from entering the market and a cost to passengers who may have to wait longer for a taxi or private hire vehicle, which could potentially put them in a vulnerable position.
103. There is no evidence to suggest what scale the reduction in supply could be, e.g. the annual survey of licensing authorities does not capture how many drivers do not meet the proposed minimum standards which is why this cost is not monetised. However, it is expected to be minimal. This is supported by Warrington Council who concluded in their DPIA (Data Protection Impact Assessment) on CCTV: *"The policy requirement has been in place since 2016. There has been no observed drop off in renewal of applications or new applications."*

Increased licensing fees

104. With additional administration needs to review the need to implement the standards and enforce them, licensing authorities may have to increase the number of staff they hire. We do not have a robust estimate of the number of potential additional staff needed or time this will take as no information regarding this was received during consultation. These additional costs are expected to be recouped through licensing revenue and so could result in the licensing fees increasing and so represent an increased cost to business. We have assumed that businesses will not pass these increased costs to taxi/private hire vehicle passengers because the costs are likely to be negligible, as estimated below. We deemed it disproportionate to make further attempts to monetise this as it is out of scope of the Business Impact Target.
105. By law, taxis are not able to increase their metered fares and private hire vehicle fares are set by operators. This means if some drivers must attend additional training or the licensing fees increase, the drivers will not be able to decide to increase their fares individually.
106. The increased cost to drivers is expected to be negligible when broken down to journey level. This means even if they could increase fares, it is highly unlikely they would. If we take the total nominal cost to drivers, operators, licensing authorities and DfT and divide it per driver, it totals £62.24 per year per driver $((233.4m/10)/375k=62.24)$. The Private Hire and Taxi Monthly produce a fares table which gives a national average cost for a two-mile trip of £5.96 as of January 2020²³. If we assume the full cost of the statutory standards are passed on to taxi and private hire vehicle drivers, it will cost them around 9.1 miles worth of fare. Considering on average 8.6²⁴ trips are made per day, drivers on average work 4.8 days per week and 44.9 weeks per year, the cost of the statutory taxi and private hire vehicle standards would be spread across 1,853.5 trips $(4.8*44.9*8.6)$. This would mean

²³ <https://www.phtm.co.uk/>

²⁴ <http://content.tfl.gov.uk/driver-diaries.pdf>

the average fare would have to increase by £0.03 (£62.24/1,853.5). This extra cost is negligible for the taxi and private hire vehicle driver and the passenger.

3.5 Breakdown of Non-Monetised Benefits

Improved passenger safety - current 'unfit' drivers exiting the market and potential future 'unfit' drivers deterred from entering the market

107. The main benefit of having CCTV installed in taxis and private hire vehicles as well as having enhanced DBS and barred lists checks, is that it will help in crime prevention. This result is expected for a number of reasons mentioned above including, deterrence, self-discipline by potential offenders, presence of a capable guardian and detection. The presence of CCTV acts as a disincentive to potential criminals as it increases the likelihood that they will be caught. In addition to this, the enhanced DBS and barred list checks can help prevent would-be criminals from entering the market in the first place.

108. There are many factors which make monetising the benefits of crime prevention very difficult and are as follows:

- Inconsistent recording of crimes committed associated with taxis or private hire vehicles, and their drivers.
- Any data collected on crimes associated with taxis and private hire vehicles will almost certainly be under-reported.
- There is no robust, reliable evidence as to size of crime reduction in response to CCTV installation or DBS checks. Without this, it is difficult to estimate the 'Do Something' cost of crime associated with taxis and private hire vehicles.

109. There is, however, some evidence for success in the use of CCTV in licensed vehicles. A report from a Sheffield Taxi Camera Safety Project showed a dramatic fall in crimes after CCTV was installed in a sample group of vehicles (from 15% to 1% of all fares monitored). Although the study suffers from methodological limitations²⁵ the results indicate that there is scope for a significant reduction in the rate of crime following the introduction of CCTV requirements.

110. For crimes committed by drivers, the efficacy of the CCTV recommendation will depend on the level of take-up by licensing authorities across the country. If uptake is not high, there will be an incentive for drivers with ill intentions to seek to obtain licenses in authorities which do not mandate CCTV. This should not however alter the effectiveness of the recommendation in reducing crimes committed against drivers.

Northumberland Case Study

111. As mentioned previously, we have not been able to monetise benefits because of a lack of data on rate of deterrence of crime, and no data on actual crimes. Northumbria Police have supplied us with force-wide data relating to the number of offences involving taxis or taxi drivers while at work in 2016. To estimate the value of these crimes, we look at the Home Office 'The economic and social costs of crime' publication²⁶. This is shown in table 12.

112. Using the data below obtained from Northumberland Police and taking the number of licensed vehicles in Northumberland compared to England and Wales, we gross the

²⁵ The study's results are limited by the lack of a control group to measure the impacts of CCTV on crime prevention.

²⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732110/the-economic-and-social-costs-of-crime-horr99.pdf

estimated cost of crime up to England and Wales level to highlight the amount of crimes that would need to be avoided in order for the policy to break even. We believe this is a useful exercise and can be indicative of the size of the impacts that could be expected as a result of this policy.

Table 12: Northumberland Cost of Crime, 2019 prices, for period November 2015 to October 2016

Source: FOI Northumberland Police and Home Office

Type of crime	Number of crimes	Costs of crime	Total cost of crime (2019 prices)
Sexual offences	33	£6,920	£228,359
Thefts	218	£1,465	£319,295
Robbery	12	£12,014	£144,173
Theft from motor vehicle	93	£923	£85,873
Assaults	301	£6,294	£1,894,425
Total Cost of Crime in Northumbria			£2,672,125

113. Using the values in table 12 above we calculate that the total cost of relevant crime in Northumberland in 2016 was £2.67m, in 2019 prices. To illustrate how this could compare to England and Wales, if we assume the crimes recorded in Northumberland in 2016 are representative of England and Wales, grossing up, the estimated cost of these crimes to England and Wales is c£721m in 2019 prices. When comparing this to the average annual cost of the policy in 2019 prices, c£24.5m, approximately 3% of crimes would need to be avoided each year as a direct result of the statutory standards for the policy to break even. This is assuming the same level and cost of crimes are committed each year over the appraisal period as in Northumberland in 2016. We think that this is a relatively likely outcome given the significant under-reporting of crime. It must also be noted that the cost of sexual offences in table 12 above excludes serious offences such as rape. The Northumberland FOI did not split out the type of sexual offence so we have assumed they are all classified as ‘other sexual offences’ in the Home Office cost of crime. If some of these were serious offences, it would increase the estimated cost and mean fewer than 3% of crimes would have to be prevented per year to break even.

Increased passenger demand due to higher user confidence

114. As ‘unfit’ drivers leave the market and are deterred from entering, this will mean increased demand and so increased revenue for the ‘fit and proper’ drivers left in the market. There is no evidence on how many drivers may exit the market so it is not possible to accurately monetise the scale of the increased demand.

115. Additionally, the standards are likely to increase passenger confidence in the safety of taxis and private hire vehicles which could result in increased use among people who were previously put off by safety concerns. It is however unclear to what degree passenger confidence will be increased and how this would transpire into increased passenger demand.

Reduced abuse against drivers

116. In England and Wales, about 53% of taxi and private hire vehicle drivers are non-white²⁷, a much higher than average percentage of the workforce. A report in 2008 commissioned by the Department revealed that drivers of taxis and private hire vehicles consistently experience verbal abuse from passengers, often racially motivated²⁸. This ranges from casual or dismissive rudeness to severe abuse that can be threatening and includes racist abuse for drivers from Asian and other minority ethnic communities. Almost all the drivers interviewed for that study experienced verbal abuse at least once a week and, for a significant minority, it was a much more frequent occurrence. Almost none of these incidents will be reported to the police unless they escalate into a violent incident where assistance from the police or other emergency services is sought. Such behaviour is unacceptable and licensing authorities should consider their duties under the Crime and Disorder Act 1998 to quantify and tackle this issue in their area.

Lower Insurance Costs

117. Although very difficult to ascertain, one of the benefits which may accrue to drivers from reduced crime would be lower insurance costs for drivers. As the rate of crime falls, insurance claims may also be likely to fall and therefore insurance premiums would fall. This is assuming insurance premiums accurately reflect the risk of insuring. This is sometimes not the case due to market failures, such as asymmetric information. However, the use of CCTV in vehicles could reduce part of the asymmetric information of crime/accidents allowing prices to correctly reflect risk. Depending on the pass-through effect of lower operating costs to drivers this may also feed through to lower fares for passengers.

4. Business Impact Target Calculations

118. For Option 1 and 2, all familiarisation, training, testing, DBS checks and CCTV costs to business have been included in the EANDCB calculation. Costs and benefits to the licensing authorities and the Department for Transport have not been included. No direct benefits to business have been monetised in the BIT calculations.

119. The EANDCB score for option 1 for all years discounted to 2019 prices is £24.5m and the BIT score is £122.7m.

120. The EANDCB score for option 2 for all years discounted to 2019 prices is £54.9m and the BIT score is £274.4m.

5. Risks and unintended consequences

121. All the assumptions that underpin the specific cost/benefit estimates are indicated alongside the relevant discussion.

122. All cost/benefit estimates that reply on uncertain assumptions have had sensitivity analysis conducted in the form of a range. This has been indicated in the relevant sections of the assessment.

²⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642759/taxi-private-hire-vehicles-2017.pdf

²⁸ <http://www.national-taxi-association.co.uk/wp-content/uploads/2011/01/Research-on-the-personal-security-issues-for-taxi-and-PHV-drivers-DFT.pdf>

123. There is a risk some drivers who pose a threat to passengers could move to license in licensing authorities which on review decide not to implement measures, such as requiring the installation of CCTV in vehicles. However, this risk currently exists as licensing authorities already have variations in licensing standards. Whilst there is anecdotal evidence of an increasing number of drivers who work entirely at distance from the authority that licensed them, there is no evidence of precise numbers. Given this, the introduction of the standards is likely to have minimal impact on this risk. It is also expected to have minimal impact as these authorities would arguably then have a justification to mandate CCTV and other standards if the 'unsafe' drivers move to their areas. This means any opportunity to avoid the risk would likely be short-lived.
124. As explained earlier all licensing authorities are required by law to consider passenger safety when exercising their licensing function. Whilst it remains the case that licensing authorities must reach their own decisions, both on overall policies and on individual licensing matters in light of the relevant law, any failure to adhere to the statutory taxi and private hire vehicle standards without sufficient justification could be detrimental to a licensing authority's defence if their policy or decisions were subject to a legal challenge; so, if licensing authorities do not follow them there could be an increased reputational and legal risk to the licensing authorities.
125. The COVID-19 outbreak is having a growing and uncertain impact on all markets, including the taxi and private hire vehicle market. The analysis here is based on the latest available published data which does not account for the impact of COVID-19 (further details in the analytical annex). We have not tried to make any adjustments in the analysis for COVID-19 as it's impacts on this market are so uncertain and it is too early to estimate the lasting impact. There might be an increase in the demand for taxis and private hire vehicles from people fearing crowded public transport or a decrease due to the lower mobility of society during lockdown and new working patterns. Furthermore, supply might be affected, either from an increase in drivers exiting the market due to lack of demand within the sector or an increase of new competitors seeking to attract part of the demand from other transport modes.
126. Given the uncertainty of the impact of COVID-19, we still deem it reasonable to implement the Statutory Standards because it's primary objective is to safeguard children and vulnerable adults. This objective is at least as important now as it was pre-COVID-19. We do not deem it reasonable to delay the implementation of this policy, though we recognise the impact of the standards may be more significant due to the uncertainty of the impact on demand, for example, the cost and installation of CCTV may impact drivers more due to lower cash flow.

6. Wider impacts

6.1 Economic Impacts

Competition Assessment

127. The competition impact of the statutory standards is expected to be minimal. It is not anticipated that the standards will significantly affect the supply or demand for taxis/ private hire vehicles.
128. If taxis and private hire vehicles become more desirable to consumers through improved passenger safety, demand for them could potentially increase, which could then result in increased competition between taxis/ private hire vehicles and other modes of transport,

such as buses, cycling or rail. This could affect demand and revenues for these other modes of transport.

129. For example, if the demand for taxis and private hire vehicles increased, the number of taxis and private hire vehicles could increase over time due to increased business opportunities. Increased preference for taxis and private hire vehicles could therefore lead to reductions in demand for their direct competition of buses, cycling or rail. Less demand for these other forms of transport could then lead to a reduction in revenues for their operators, as the volume of passengers will decrease. The opposite effect could occur if the standards reduces the number of taxis and private hire vehicles but does not significantly affect demand for their services.

6.2 Social impacts

Equalities Impact

130. The Jay and Casey reports demonstrate that not all councils apply the same high standards when undertaking their taxi and private hire vehicle licensing functions. To address this the Policing and Crime Act 2017 enabled the Secretary of State for Transport to issue statutory standards to local authorities.

131. Whilst we are aware that the statutory standards may impact a disproportionately higher level of ethnic minorities in some areas due to the makeup of the taxi and private hire vehicle trade, any possible negative impacts on minority licensees must be weighed up proportionately against the legitimate aim of protecting children and vulnerable adults from harm through the use of licensing authorities' powers.

132. It is expected that the standards will be applied equitably but this is the responsibility of local authorities and could be subject to challenge. We expect that both drivers and passengers will benefit from a safer environment in which to travel. We also expect that the policy will increase user confidence and may facilitate higher passenger demand from more vulnerable groups such as older or disabled people.

Safety and Crime Impacts

133. Through the statutory standards, Option 1 will improve passenger safety. It is estimated the measures set out will lead to current 'unsafe' drivers exiting the market and future 'unfit' drivers being deterred from entering the market. This will result in a reduction in crimes against taxi and private hire vehicle passengers. It is difficult to say with certainty to what extent these crimes will be prevented as a direct result of the statutory standards as there is a risk 'unsafe' drivers could move to license in licensing authorities which on review decide not to implement measures or conclude that requiring the installation of CCTV in vehicles is not necessary. However, this risk currently exists as licensing authorities already have variations in licensing standards. Whilst there is anecdotal evidence of an increasing number of drivers who work entirely at distance from the authority that licensed them, there is no evidence of precise numbers of 'unsafe' drivers doing this. Given this, the introduction of the standards is likely to have minimal impact on this risk. It is also expected to have minimal impact as these authorities would arguably then have a justification to mandate CCTV and the other standards if the 'unfit' drivers move to their areas. This means any increased risk would likely be short-lived.

134. Breakeven analysis has been conducted in the benefit section above.

6.3 Environmental Impact

Air quality and GHG emissions impacts

135. As Option 1 is not expected to significantly affect supply or demand for taxis and private hire vehicles, we do not anticipate there being a significant direct effect on air quality or GHG emissions because of the statutory taxi and private hire vehicle standards.

Noise and nuisance

136. As Option 1 is not expected to significantly affect supply or demand for taxis and private hire vehicles, we do not anticipate there being a significant direct effect on noise and nuisance because of the statutory taxi and private hire vehicle standards.

6.4 Trade Test

137. This measure does not have potential impacts on the value of imports or exports of a specific good or service, or groups of goods or services.

138. This measure does not have a potential direct or indirect impact on the value of overall trade or investment flows between two or more countries.

139. This measure does not include different requirements for domestic and foreign businesses.

7. Small and Micro Business Assessment (SaMBA)

140. Due to the nature of the data, it has not been possible to obtain information on the relative size of private hire vehicle operators in terms of the number of employees. As a proxy we have looked at BEIS business population estimates which show 95.7% of 'other passenger land transport' are small or micro, with 74.2% being micro²⁹. This means we can assume a significant number of private hire vehicle operators are small or micro in size.

141. If we assume that all taxi and private hire vehicle drivers are sole traders and therefore are counted as businesses, then the costs of purchasing, installing and maintaining the CCTV equipment will fall on them (unless they lease their vehicle) as well as the familiarisation and DBS costs. We do not have any evidence on the voluntary installation of CCTV by business size, as such we have no evidence to suggest SMBs, who make up the majority of the sector, are more or less likely to have already installed CCTV in their vehicles. This burden imposed by the policy could cause a higher impact for these small companies. With fewer possibilities to leverage commercial contracts or access liquidity tools, either from financial institutions or providers, the investment needed for CCTV training would need to be done through drivers' own equity. Due to potentially lower cash flow or reserves, this may be harder for smaller companies. No specific information on these issues was provided at consultation and as such we have been unable to monetise these potential costs. For example, the overall costs from installing the CCTV and replacing it comes out to around £1,200 over the 10 years for each driver. In addition to this, drivers may decide to offset some of these costs by increasing fares. We have also received some evidence of leasing and grant options available in some areas allowing drivers to lease the CCTV equipment rather than purchase it outright. After consulting with licensing authorities we obtained information from Gravesham Borough Council who implemented an incentive scheme to aid drivers in purchasing CCTV systems. In particular, the grant lowered the cost from £720 to £97. If a similar grant was adopted in areas choosing to implement the policy then this would significantly reduce the cost to business of the proposed statutory standards. However, any subsidy decisions specifically for SMBs remains at the discretion of the licensing authorities implementing the change.

²⁹ <https://www.gov.uk/government/statistics/business-population-estimates-2019> (table 7 SIC 493 – Other passenger land transport)

142. The statutory standards say that licensing authorities should take a proportionate and pragmatic approach when implementing policy changes in respect of existing licence holders and that the implementation schedule of any changes that affect current licence holders must be transparent and communicated promptly and clearly. As set out in the statutory standards licensing authorities need to consult to identify if there are local circumstances which indicate that the installation of CCTV in vehicles would have either a positive or an adverse net effect on the safety of taxi and private hire vehicle users. That consultation will provide the opportunity for licensing authorities to: engage with licensees on the costs involved; enable them to develop a suitable implementation schedule that takes into account the fact that many licensees will be SMBs; and to consider whether they are able to provide a subsidy scheme for the purchase of CCTV. Ultimately however, the decision on how to implement the statutory standards will remain with the licensing authority. The total impact on business will depend on the rate of adherence to the statutory standards which is down to the licensing authority to enforce.

143. The Department notes that under some circumstances it may be prudent to provide an exemption to small and micro business due to the disproportionate cost impact that such policies may have. In this case, however, as it is expected small and micro businesses make up the majority of the market (possibly as much as 95.7% according to BEIS data referenced above), if these businesses were exempt then the policy would fail to meet its objective to safeguard children and vulnerable adults. This is because any taxi or private hire vehicle may carry a child or vulnerable person in their vehicle at some time so exempting a vast subset of drivers or the sector would undermine the effectiveness of the statutory standards.

8. Summary and Preferred Option

144. This assessment proposes to implement statutory standards in the taxi and private hire vehicle markets as the preferred option, in advance of any primary legislation. The statutory taxi and private hire vehicle standards state that licensing authorities should carefully consider the mandating the installation of CCTV systems in all taxis and private hire vehicles in order to protect children and vulnerable adults from harm. This may not only protect other passengers from harm but it would also protect drivers from potentially violent passengers as CCTV is believed to be a major deterrent of crime.

145. The most significant cost associated with the statutory taxi and private hire vehicle standards is the potential cost of installing and maintaining the CCTV. Our best estimate suggests that this would cost around £244m. We also expect that there will be some familiarisation costs associated with learning and complying with the policy. Our central estimate for this cost is around £0.43m and would apply only in the implementation year of the policy.

146. There would also be costs that fall on licensing authorities and these mainly relate to the process of assessing whether to mandate CCTV and, if applicable, developing detailed download and privacy policies that comply with wider regulation. There would also be some costs associated with the roll-out of CCTV involving the wider dissemination of information to the public and licensees. We have not been able to accurately monetise this cost due to the heterogeneity across licensing authorities. We have, however, received an estimate of the costs from a licensing authority that undertook a similar process which suggests that the cost would be somewhere in the region of £18,000.

147. Some of the expected benefits as a result of installing CCTV include crime prevention, increased passenger safety and enhanced public confidence. Although we have not been able to monetise the benefits of the statutory standards, we do believe that the policies will

be effective and that the benefits would exceed the costs. In particular, we highlight a case study in Northumbria whereby the policy needs to generate a 3% reduction in crime for it to breakeven. We believe given the significant under-reporting of crime, this is a very achievable result but will seek to assess the effectiveness of the statutory taxi and private hire vehicle standards as part of the policy review (2025).

9. Post implementation review

1. **Review status:** Please classify with an 'x' and provide any explanations below.

<input type="checkbox"/>	Sunset clause	<input checked="" type="checkbox"/>	Other review clause	<input type="checkbox"/>	Political commitment	<input type="checkbox"/>	Other reason	<input type="checkbox"/>	No plan to review
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Statutory Taxi and Private Hire Standards to be reviewed every five years to ensure continued suitability.

2. **Expected review date** (month and year, xx/xx):

0	5	/	2	5	Five years from when the Regulations come into force
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3. **Rationale for PIR approach:**

• **Will the level of evidence and resourcing be low, medium or high?**

The post-implementation review will follow a medium level of evidence and resourcing. This is proportionate given that the changes are expected to have an annual net direct cost to business of £20.9m, a business Net Present Value of -£180m, and that this policy is designed to address a public safety risk. The scheme is expected to be fairly simple to implement, for example, conducting DBS checks on drivers and operators.

• **What forms of monitoring data will be collected?**

We have added the following questions to the annual taxi and private hire vehicle statistics survey to monitor adherence to the statutory standards:

- Licensing authorities that refer to the DBS when a licence is refused or revoked for safeguarding reasons;
- Licensing authorities that inform police about a licence refusal or revocation for safeguarding reasons;
- Licensing authorities that require applicants and licensees to disclose if they have had a licence application refused, or licence revoked or suspended by another licensing authority;
- Licensing authorities that use the National Register of Revocations and Refusals (NR3);
- Licensing authorities that participate in a Multi-Agency Safeguarding Hub (MASH) to share information on safeguarding;
- Licensing authorities that record complaints in a way that can analyse trends across all licensees as well as complaints against individual licensees
- Licensing authorities that require DBS checks for vehicle proprietors and private hire vehicle operators;
- Licensing authorities that mandate, permit or prohibit the installation of CCTV in vehicles;

- Licensing authorities that require private hire vehicle operators to evidence sight of a basic DBS check for booking and dispatch staff.

Different options were considered to track the safety implications of the standards, but due to a number of data collection issues, none were considered reasonable or proportionate. For example, crime data showing the number of incidents involving taxi/private hire vehicles, including whether vehicle CCTV was reviewed or used in evidence, is currently only recorded at an aggregate level and cannot be split down by licensing authority.

The option of asking licensing authorities to provide us with the number of complaints/revocations received regarding inappropriate or indecent behaviour by drivers towards passengers was also considered. However, the management information systems licensing authorities use does not capture this information in a way that allows easy extraction. Although complaints and revocations are captured, they are done so via free text fields and so licensing authorities would have to manually review all fields and code them in order to answer this question. Therefore, it was agreed the data accuracy would be too poor to warrant this approach.

TfL report on taxi and private hire vehicle journey-related sexual offences recorded by the Metropolitan Police Service (MPS) and City of London Police (CoLP) yearly. However, this only covers London, which is not representative of other areas in the UK.

The available monitoring data will be compared with data from a baseline period before the changes were implemented (where available).

- **What evaluation approaches will be used? (e.g. impact, process, economic)**

The post-implementation review will use a process evaluation and an impact evaluation.

The process evaluation is expected to cover a survey of key stakeholders, for example those in licensing authorities that adhere to the statutory standards, to understand whether they are being implemented as intended and the costs incurred to licensing authorities. Stakeholders in licensing authorities that have not adhered to the standards will also be surveyed to understand their reasons for this. A small number of qualitative process interviews will also likely be required.

The impact assessment will look at the extent to which licensing authorities have adhered to the statutory standards, as well as the extent to which the safety of children and vulnerable adults (data on the safety of all passengers will be considered) has been improved, including any unintended consequences. This will include looking at monitoring data such as the questions in the annual taxi and private hire vehicle statistics survey, and asking licensing authorities what impact they think the statutory standards have had. As there are over 300 licensing authorities it is not proportionate to review the complaints/revocations as data sharing agreements would have to be set up with each licensing authority. Licensing authorities that have complaints systems where trends can be easily analysed will be asked for their data to track safety implications.

- **How will stakeholder views be collected? (e.g. feedback mechanisms, consultations, research)**

Existing engagement channels will be the main route for obtaining views from key stakeholders such as licencing authorities.

Rationale for not conducting a PIR:

N/A

Key Objectives, Research Questions and Evidence collection plans

Key objectives of the regulation(s)	Key research questions to measure success of objective	Existing evidence/data	Any plans to collect primary data to answer questions?
To mitigate as far as practicable the risk to children and vulnerable adults when using taxis and private hire vehicles.	To what extent has incidents involving taxis/private hire vehicles and drivers reduced as a result of the statutory standards? Have there been any unintended consequences? Is the objective still required and can it be improved?	Annual taxi and private hire vehicle statistics survey	We plan to survey and interview local authorities

10. Analytical Annex

This analytical annex provides an overview of the key assumptions that have fed into the estimated costs and benefits for this assessments analysis.

Table 13: Key Taxi & Private Hire Vehicle Market Indicators

Assumption	Source	Further information	Scenario		
			Low	Central	High
Total number of licensed taxi and private hire vehicle drivers in England	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	In 2019: Total = 362,639 Future years are forecast by taking the average growth rate taxi and private hire vehicle drivers over 2013 to 2019 and projecting this growth rate forward. +/- 50% growth scenarios used to address uncertainty.	In 2020 = 369,425 drivers	In 2020 = 378,886 drivers	In 2020 = 388,346 drivers
Total number of licensed taxi and private hire vehicle drivers in Wales	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	In 2019: Total = 12,350 Future years are forecast by taking the average growth rate taxi and private hire vehicle drivers over 2013 to 2019 and projecting this growth rate forward. +/- 50% growth scenarios used to address uncertainty.	In 2020 = 12,378 drivers	In 2020 = 12,506 drivers	In 2020 = 12,635 drivers
Total number of taxi and private hire vehicle drivers by type of vehicle and licence in England	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	In 2019: Total = 291,813 Future years are forecast by taking the average growth rate taxi and private hire vehicle drivers over 2013 to 2019 and projecting this growth rate forward. +/- 50% growth scenarios used to address uncertainty.	In 2020 = 298,806 drivers	In 2020 = 306,595 drivers	In 2020 = 314,384 drivers

Total number of taxi and private hire vehicle drivers by type of vehicle and licence in Wales	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	In 2019: Total = 10,385 Future years are forecast by taking the average growth rate taxi and private hire vehicle drivers over 2013 to 2019 and projecting this growth rate forward. +/- 50% growth scenarios used to address uncertainty.	In 2020 = 10,526 drivers	In 2020 = 10,666 drivers	In 2020 = 10,807 drivers
Operator Licenses issued	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	In 2019: Total = 16,298 Future years are forecast by taking the average growth rate taxi and private hire vehicle drivers over 2013 to 2019 and projecting this growth rate forward. +/- 50% growth scenarios used to address uncertainty.	In 2020 = 16,317 operator licenses	In 2020 = 16,335 operator licenses	In 2020 = 16,354 operator licenses
Number of Licencing Authorities in England	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833569/taxi-and-phv-england-2019.pdf	The latest published statistics state there are 293 licensing authorities. This does not consider the licensing authorities which merged on 1 st April 2019: <ul style="list-style-type: none"> - Bournemouth, Christchurch and Poole (separate councils) have merged to be Bournemouth, Christchurch and Poole (one council); - Dorset has been formed from Weymouth and Portland, West Dorset, North Dorset, Purbeck, East Dorset; - East Suffolk has been formed from Suffolk Coastal and Waveney; - West Suffolk has been formed from Forest Heath and Bury St Edmunds; - Somerset West & Taunton has been formed from Taunton Deane and West Somerset. 	284		

		<p>Nor the licensing authorities which are due to merge on 1st April 2020:</p> <ul style="list-style-type: none"> - Buckinghamshire Council will be formed from Aylesbury Vale, Buckinghamshire, Chiltern, South Bucks and Wycombe. <p>No sensitivity analysis has been included on this figure as it is a published national statistic and there is no evidence that other licensing authorities have planned to merge over the appraisal period.</p>	
Number of Licencing Authorities in Wales	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833569/taxi-and-phv-england-2019.pdf	No sensitivity analysis has been included on this figure as it is a published national statistic and there is no evidence that licensing authorities have planned to merge over the appraisal period.	22
Wages	<p>Table 14.5a:</p> <p>https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14</p>	Gross wages uplifted for non-labour costs (20.60%). Gross wages reflect more accurately the real remuneration that workers have per hour worked, rather than what the contract may say.	<p>Driver: £10.68</p> <p>Admin Staff: £13.84</p> <p>Managers in transport and logistics: £17.72</p>

Familiarisation Costs

Summary of method

- The familiarisation costs are assumed to be a one-off cost. There is no net additional complexity that would suggest first time applicants will have a higher burden than they do currently, prior to the statutory standards proposed introduction.
- Assume one manager and one ancillary staff per operator, all drivers and two officials per licensing authority.

Table 14: Assumptions of familiarisation costs

Assumption	Source	Further information	Scenario		
			Low	Central	High
Time needed for drivers and operators to familiarise with the statutory standards/broader standards following primary legislation	Best estimate	Scenarios use a range to account for uncertainty surrounding this assumption.	0.5 hours	1 hour	2 hours
Time needed for licensing authority officials to familiarise with the statutory standards/broader standards following primary legislation	Best estimate	Scenarios use a range to account for uncertainty surrounding this assumption.	7 hours	14 hours	28 hours
% of licensing authorities who will read the 'Statutory Taxi and Private Hire Vehicle Standards' document	Law	Licensing authorities are obligated to adopt the statutory standards unless there is a good reason not to.	100%		
% of drivers that will read the 'Statutory Taxi and Private Hire Vehicle Standards' document	Best estimate	Drivers would wait for the licensing authorities to consider and potentially change policy/requirements. There were very few responses to the consultation suggesting drivers are unlikely to read the standards document ahead of being instructed by the licensing authority.	5%		

% of operator's managers that will read the 'Statutory Taxi and Private Hire Vehicle Standards' document	Best estimate	Operators would wait for the licensing authorities to consider and potentially change policy/requirements. There were very few responses to the consultation suggesting operators are unlikely to read the standards document ahead of being instructed by the licensing authority.	5%
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Installing CCTV Costs

Summary of method

- The statutory standards will require licensing authorities to consider whether vehicles licensed in their area should have CCTV cameras fitted. On review, some licensing authorities may decide to require vehicles in their area to be fitted with CCTV and this cost will fall to drivers. The cost of reviewing whether to install CCTV is included in the familiarisation costs.
- A total number of 13 licensing authorities already ask for taxis to be fitted with CCTV, while 11 of these also request private hire vehicles to be fitted, and so have been excluded from this cost, according to table TAXI0106a.
- To estimate the cost of CCTV installation, some companies and licensing authorities have been contacted. While two of them provided similar costs, a range between £515 and £550 of the system plus a range between £80 and £100 for installation, the last one gave us a high-range price, above £1,600 for a 5-years period, which was discarded. It has been assumed that the system will need to be renewed every 5 years, which would also include the cost of the installation. As for the sensitivity test, a +/-50% factor has been assumed.
- To estimate the number of vehicles which would be eligible to have CCTV fitted, we have subtracted the number of vehicles in licensing authorities who currently mandate CCTV from the total number of vehicles needing CCTV.
- We are unable to estimate with certainty the number of licensing authorities who will decide on review to require taxi and private hire vehicle drivers in their area to fit CCTV. To provide an indication of the potential range we have looked at 3 scenarios for the statutory standards:
 - o Low: low cost estimate, low vehicle growth and low uptake rate. For the uptake rate we have assumed 25% of vehicles without CCTV are required to fit CCTV.
 - o High: high cost estimate, high vehicle growth and high uptake rate. For the uptake rate we have assumed 75% of vehicles without CCTV are required to fit CCTV.
 - o Central: central cost estimate, central vehicle growth and central uptake rate. For the uptake rate we have assumed 50% of vehicles without CCTV are required to fit CCTV.
- For broader standards following increased powers enabled by primary legislation, the scenarios are as above, however we assume 100% uptake rate.

Table 15: Assumptions of CCTV costs

Assumption	Source	Further information	Scenario		
			Low	Central	High
% of licensing authorities who on review decide to request vehicles to be fitted with CCTV	Best estimate	Scenarios use a range to account for uncertainty surrounding this assumption.	25%	50%	75%
Authorities' requirements for CCTV	Table TAXI0106a	No sensitivity analysis has been included on this figure as it is a published national statistic.	Taxi = 13 Private hire vehicle = 11		
Price of CCTV system	Two companies	An average of CCTV purchase and installation costs from 3 sources. It has been assumed the CCTV system would need to be replaced every 5 years.	£311	£623	£934

The table 16 below shows some examples of the numbers of licensing authorities needed to fulfil the uptake rates.

Table 16: Number of licensing authorities needed to reach the uptake rate

Size of licensing authority	Smallest			Largest			Mixed type		
Scenario	Low 25%	Central 50%	High 75%	Low 25%	Central 50%	High 75%	Low 25%	Central 50%	High 75%
Licensing authorities needed	Smallest 243	Smallest 305	Smallest 285 and London	Largest 29 (excl. London)	Largest 10 (incl. London)	Largest 73 (incl. London)	Largest 11 (excl. London) and 55 in the middle range	Largest 3 (incl. London) and smallest 147	Largest (incl. London), smallest 260 and 14 middle range

DBS Checks

Summary of method:

- The statutory taxi and private hire vehicle standards expect licensing authorities do an annual DBS check for every driver and staff involved in the booking and dispatch of vehicles.
- The annual cost of this check for a member of an operating company is £23 per year. Currently, we do not record how many licensing authorities require this check so have assumed none do as it is not currently a requirement. The cost of implementing this measure has been calculated by forecasting the number of operators for the period, multiplying by 5 for the 5 members of staff and multiplying by the cost of the check.
- A sensitivity test consisting of a low and a high scenario, which would have a DBS check on 1 and 9 staff members respectively, has been done. Due to the small information on operators' size, or other data that could provide enough evidence on the market structure, it has been considered to take such a wide range of staff members having to take the DBS checks.
- For the drivers' checks, we have had to establish the current baseline costs and estimate the change caused by the statutory standards or national minimum standards. Under the statutory standards and national minimum standards, drivers would be recommended to pay £40 for the first DBS check plus an annual subscription of £13 for a DBS update.

- Drivers in each licensing authority have been forecasted, following the previous methodology. However, due to some extreme values, annual growth has been limited to +/- 15%. For example, Wolverhampton presented an annual growth of 50%, which meant that in 10 years, there would be more drivers than inhabitants. It has also been limited in cases where the decline of drivers leads to a negative result.
- Next, the number of drivers has been gathered in groups of licensing authorities that share the same DBS policy. This means, whether they had DBS subscription or not, and whether the checks were taken every six months, annually, biannually or every three years. Some licensing authorities had “others” in the frequency of DBS checks, so they have been considered as one year which was the most common policy.
- Once grouped, the current cost of the policy and the cost of the proposed policy have been calculated, which would consist of £40 per each new driver plus £13 annually for the remaining drivers. The difference in them was the extra cost or savings of the future policy compared to the current one.
- For statutory standards uptake, the scenarios mean:
 - o Low: low operator/driver growth and low uptake rate
 - o Central: central operator/driver growth and central uptake rate
 - o High: high operator/driver growth and high uptake rate

Table 17: Assumptions of DBS checks costs

Assumption	Source	Further information	Scenario		
			Low	Central	High
DBS driver First Check	https://www.gov.uk/government/news/fee-changes-for-dbs-checks	Standard Cost, no sensitivity analysis is needed	£40		
DBS Yearly Subscription	https://www.gov.uk/government/news/fee-changes-for-dbs-checks	Standard Cost, no sensitivity analysis is needed	£13		
DBS Operator's Check	https://www.gov.uk/government/news/fee-changes-for-dbs-checks	Standard Cost, no sensitivity analysis is needed	£23		
Authorities' requirement for drivers' DBS checks	Table TAXI0106b	Information collected by DfT statistics, showing the different rules applying in each licensing authority.	DBS subscription: Yes or No DBS checks: every 6 months, one, two or three years		
Authorities' requirement for operators' DBS checks	Best estimate	Information not collected by DfT statistics. No requirements have been considered to exist.	0 checks for operators		
% of operators that will follow	Best estimate	Since 76% of operators already mandate safeguarding training and 73% require DBS	90%	95%	100%

the statutory standards		on drivers, it has considered that checks on operators will be high.			
% of drivers that will follow the statutory standards	Best estimate	89% of drivers are already asked for the DBS checks. Since licensing authorities won't face any cost, it is expected that they will mandate it. On the other hand, it will not be a large burden for drivers, and in some cases, it will reduce the cost.	95% In 2020 = 362,577 drivers	100% In 2020 = 390,843 drivers	100% In 2020 = 400,025 drivers

Safeguarding Awareness Training

Summary of method:

- Currently, 30% of licensing authorities do not require safeguarding awareness training, this means the cost of training would fall to drivers within these licensing authorities. For simplicity, the number of drivers has been considered, rather than the number of licensing authorities.
- To monetise the driver's cost, the cost of the course and the length of the course have been considered.
- To estimate the scale of the potential training costs, this assessment considers the current requirements of six licensing authorities and took an average. Details of this after in the table 18 below.
- For the statutory standards, the scenarios mean:
 - o Low: low cost of training, low length of course, low drivers' growth and low uptake rate
 - o Central: central cost of training, central length of course, central drivers' growth and central uptake rate
 - o High: high cost of training, high length of course, high drivers' growth and high uptake rate

Table 18: Sources of safeguarding awareness training costs

Council	Safeguarding
Adur / Worthing	1 hr, provided by Council, £10.
Derby	Provided by Council, £30. Estimate to be a maximum of 2 hours.
Blackpool	Checked as part of Knowledge Test. Handbook provided.
Hartlepool	E-learning from Barnardo's. Can't see a charge.
Cheshire West and Chester	Part of a wider qualification (itself part of BTEC) at local college.

Oxford	Course provided by Oxfordshire County Council, 4 hours, £50.
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Table 19: Assumptions of Safeguarding Awareness Training costs

Assumption	Source	Further information	Scenario		
			Low	Central	High
% of licensing authorities not currently requiring the training	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751202/taxi-and-phv-england-2018.pdf	No sensitivity analysis as national statistic.	30%		
% of licensing authorities who will follow the statutory standards	Best estimate	Expected to be high as the percentage of licensing authorities mandating this is increasing and licensing authorities would have to be able to evidence as reason not to mandate.	90%	95%	100%
Price of the course	Based off a sample of six licensing authorities and estimate on what the national minimum standards may require	This assumption uses 3 growth scenarios to ensure the model incorporates any potential uncertainty. These scenarios represent the maximum and minimum charge of the six licensing authorities this IA considered.	£10	£30	£50
Length of the course	Based off a sample of six licensing authorities and estimate on what the national minimum standards may require	This assumption uses 3 growth scenarios to ensure the model incorporates any potential uncertainty.	1 hours	2 hours	4 hours

English Minimum Requirement Test

Summary of method:

- The cost of this requirement has been modelled considering the number of licensing authorities not currently requiring the test, the uptake rate, cost of the exam and the time taken. This measure would only affect the 21% of taxi/private hire vehicle drivers who are non-British.
- For the statutory standards, the scenarios mean:
 - o Low: low percentage of licensing authorities not requiring the test currently, low cost of test, low length of test and low drivers' growth.
 - o Central: central percentage of licensing authorities not requiring the test currently, central cost of test, central length of test and central drivers' growth.
 - o High: high percentage of licensing authorities not requiring the test currently, high cost of test, high length of test and high drivers' growth.

Table 20: Assumptions English Minimum Requirement Test costs

Assumption	Source	Further information	Scenario		
			Low	Central	High
% of non-UK nationals of taxi drivers	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751202/taxi-and-phv-england-2018.pdf		21%		
% of licensing authorities that will follow the statutory standards	Best estimate	Scenarios use a range to account for uncertainty surrounding this assumption.	90%	95%	100%
Authorities not requiring a minimum level of English for drivers	Best estimate	It is thought some licensing authorities already require evidence of a good understanding of English and so already meet the requirement which could be part of the national minimum standards. Scenarios use a range to account for uncertainty surrounding this assumption.	50%	60%	70%
Price of the test	Best estimate	Scenarios use a range to account for uncertainty surrounding this assumption.	£20	£25	£30
Length of the test	Best estimate	Scenarios use a range to account for uncertainty surrounding this assumption.	30 min	1 hour	1.5 hours

Passenger Safety Assumptions

Summary of the method:

- The introduction of statutory standards is expected to improve passenger safety. It is difficult to say with certainty to what extent these crimes will be prevented as a direct result of the standards. We therefore have not monetised this benefit, but have conducted break even analysis to estimate what scale of crimes would have to be prevented for the benefits of the Bill to equal the costs.
- To do this, we have:
 - o Looked at the case study of Northumberland. Using the Home Office cost of crime publication, we have calculated the cost of reported crimes against taxi passengers.
 - o To gross this cost of crime up to England and Wales level, we looked at the relative populations of Northumberland and the England and Wales using ONS statistics and scaled up the cost of crimes accordingly
 - o To work out the break-even point, we looked at the total estimated cost of the statutory standards compared to the estimated cost of crimes against taxi and private hire vehicle passengers in England and Wales.

Table 21: Passenger Safety Assumptions

Assumption	Source	Further information	Scenario: Central
Cost of crimes	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732110/the-economic-and-social-costs-of-crime-horr99.pdf	In 2016 prices	Sexual offences £6,520 Thefts £1,380 Robbery £11,320 Theft from motor vehicle £870 Assaults £5,930
Number of licensed drivers in Northumberland	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	Information from 2019 from TAXI0104	In 2019: Total = 1,390
Number of licensed drivers in England and Wales	Table TAXI0102 https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehicles-and-their-drivers	Information from 2019 from TAXI0102	In 2019: Total = 374,989