

TRAFFORD COUNCIL

THE PUBLIC PROTECTION SUB-COMMITTEE – 30th APRIL 2015

REPORT OF THE HEAD OF REGULATORY SERVICES

SMARTPHONE TECHNOLOGY AND THE TAXI/PH LICENSING REGIME

PURPOSE

A report to inform the Sub-Committee on how smartphone technology fits within the current taxi and private hire licensing regime.

RECOMMENDATION

The Sub-Committee is asked to note the report.

Iain Veitch
Head of Public Protection

Further Information From:

Name: Joanne Boyle
Licensing Team Leader

Extension: 4129

1. BACKGROUND

- 1.1 In view of the recent grant of a Trafford private hire operator's licence to Uber, a company that uses a smartphone application to accept bookings; officers were asked to provide a report on how this new technology functions within the current taxi and private hire licensing requirements.

Current Regulations

- 1.2 A private hire vehicle can only be dispatched to a customer by a private hire operator. That is, a person who holds an operator's licence under the Local Government (Miscellaneous Provisions) Act 1976 (the Act). This allows the person to operate private hire vehicles. 'Operate' is defined in the Act as follows:

"operate" means in the course of business to make provision for the invitation or acceptance of bookings for a private hire vehicle;...

- 1.3 Section 56(1) of the Act makes it clear that the contract which covers the journey made in the vehicle is between the person booking the vehicle and the operator.
- 1.4 Section 56(2) of the Act provides that the operator must record the details of each and every booking 'before the commencement of each journey'.

2. MOBILE TECHNOLOGY

- 2.1 The greater use of mobile technology has led to an increase in the number of smartphone applications that allow the user to hire taxi or private hire vehicles.
- 2.2 Private hire services are increasingly using the internet and smartphone technology. These services range from the more traditional private hire firms that also take telephone bookings, such as Passenger Cars Group and Club Cars, to those that only operate online booking facilities such as Uber and Hailo.
- 2.3 Some types of application allow the user to book with a specified provider, inputting their route and receiving a price estimate and pick up time. Such applications can also allow the customer to rate their experience following the journey.
- 2.4 This can be contrasted with comparison applications such as Kabbee. Someone using this application would input the details of their journey and be given a number of quotes from different providers, as well as estimates of how quickly a vehicle could pick them up. The user can then access the provider directly through the application, in order to book. Often users will already know the providers available, and so be able to form their own judgment as to the quality of service offered.
- 2.5 A further addition to the marketplace allows customers to make ad hoc ridesharing arrangements with other users using smartphone applications such as SideCar.
- 2.6 Electronic pre-bookings can be very fast, and the vehicle could be described as being almost immediately available for hire. Because of this it may appear that the distinction between pre-booking (a required characteristic of private hire work) and hailing (the exclusive preserve of the taxi trade) is being eroded. While the customer

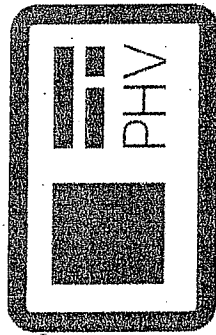
experience may be similar at the point of use, it is still the view of the Law Commission in its recent report that the regulatory context remains distinct.

- 2.7 Where a company falls within the definition of a private hire operator, then a private hire operator's licence is required to operate private hire vehicles within a controlled district. Such companies, including companies using smartphone apps to dispatch vehicles, will be subject to local licensing conditions and the rules regarding the use of licensed vehicles, record keeping and cross border hiring.
- 2.8 A representative of Uber will be present at the meeting to allow the Sub-Committee to ask any questions about how a smartphone application works in practice. Further information is also attached to the report.

3. RECOMMENDATION

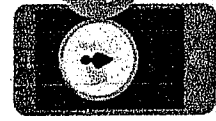
The Sub-Committee is asked to note the report.

BEST IN CLASS SAFETY FEATURES



Uber only uses locally licensed Private Hire or Taxi drivers who are registered with the local authority where we have an Operator's licence.

All our drivers must provide a full set of documentation and be interviewed before they have access to the platform.



Uber app shows you the photograph, name of your driver, vehicle make and registration when you book the trip - you can even watch the driver coming to you in real-time on the app!

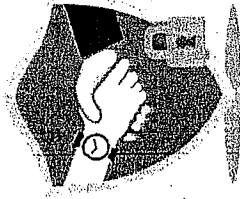
This ensures that riders know they are getting in the correct vehicle with the correct driver.



Riders can share their live trip with friends & family by simply clicking one button in the app.

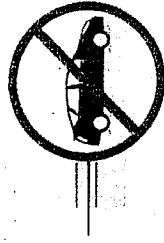
The recipients can see the live trip, the Estimated Time of Arrival, identity of the driver (photograph & name).

Riders feel safer knowing that friends and family can track their journeys too.



All payments are by card which is more convenient for riders and makes it safer for drivers reducing runners and the chance of theft.

Riders are encouraged to rate their trip and provide feedback for every ride. We receive real-time feedback on any issues with drivers and ensure we maintain the high Uber level of standards.



We have a zero tolerance approach to any illegal activities, such as plying for hire.

Our local city teams are able to suspend a driver immediately from the platform, 24 hours a day, if any issue should arise.

U B E R

DOCUMENTING AND RECORD KEEPING

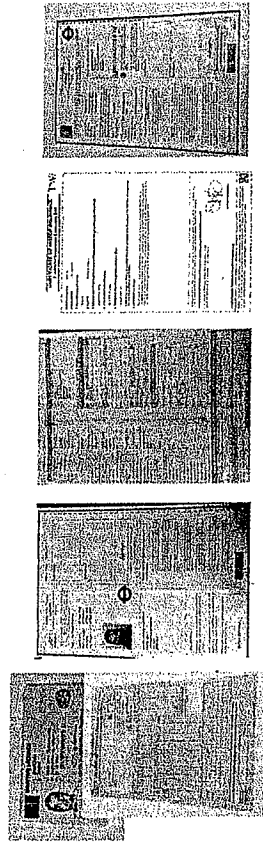
All documents and records are stored electronically and immediately accessible

Documentation

Uber electronically collects and stores the required documents for every single driver and vehicle that is operating on our platform. These documents are immediately accessible by local city teams at any time.

A driver's account will be automatically suspended if a driver has not uploaded a renewed version of an expired document to ensure all drivers are 100% compliant.

In June 2014, London passed Transport for London's largest ever documents inspection with flying colours - they inspected over 26,000 documents!

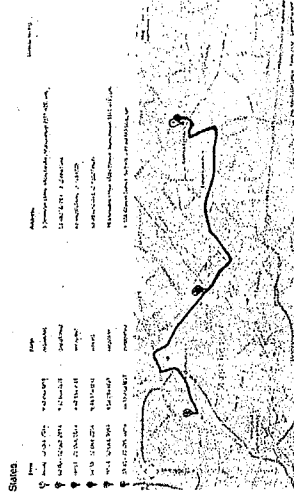


Trip records

Every trip is logged in the Uber database, even if the trip is cancelled before the driver arrives.

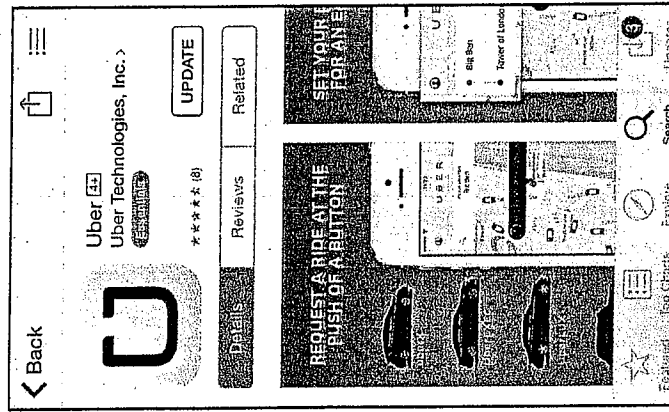
Trip information is immediately available in case of any incident. The trip log will show you:

- The exact route of the trip
- The timings of booking, arrival, trip commencing, trip ending
- Details of rider and driver
- Price of trip
- Fare quote provided to the customer before the trip

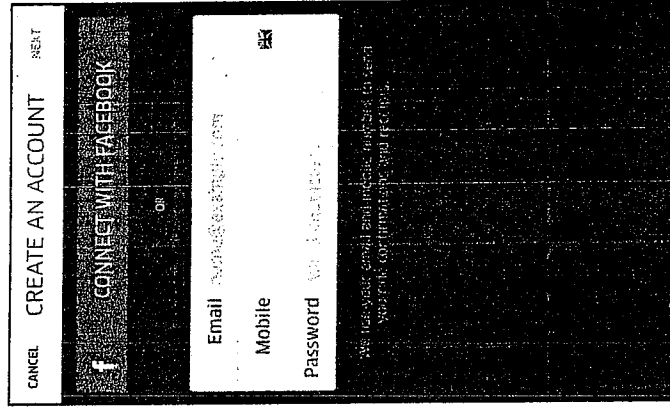


HOW UBER WORKS

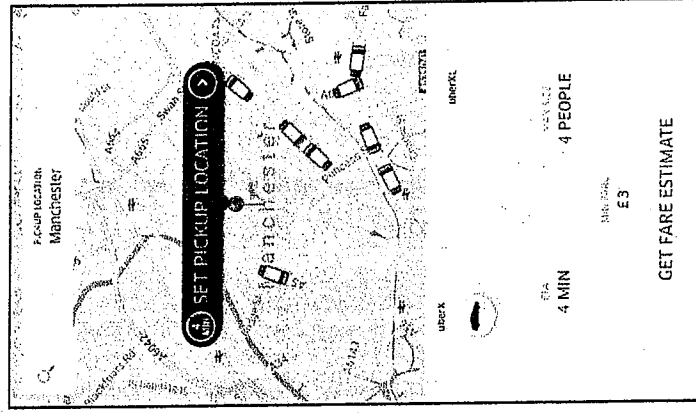
DOWNLOAD THE UBER APP



CREATE AN ACCOUNT



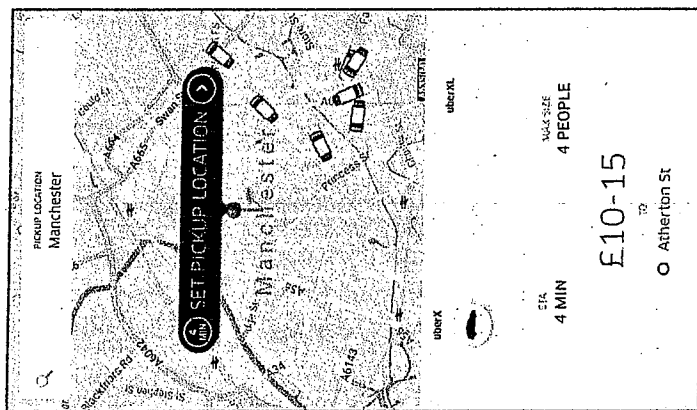
REQUEST A CAR



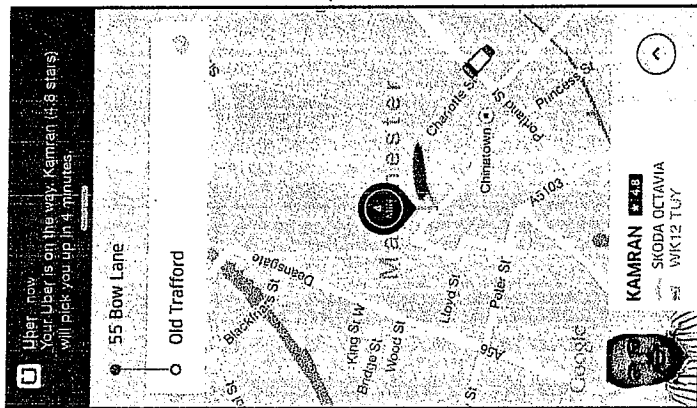
U B E R

HOW UBER WORKS

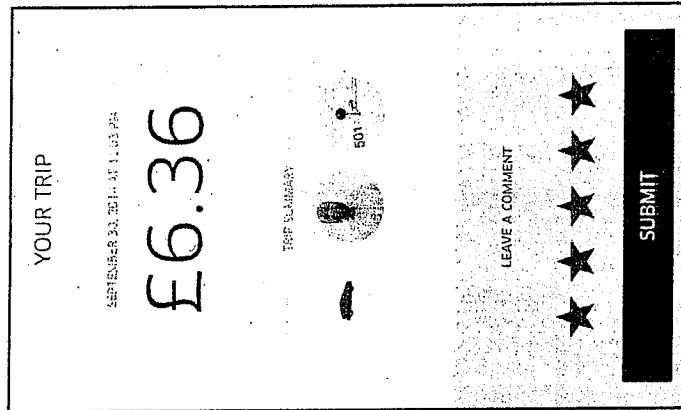
PRICE INFORMATION



DRIVER INFORMATION



RECEIPT & FEEDBACK



UBER

RIDER BENEFITS

Simple ordering system

- All bookings made through smartphone app
- Immediately see the nearest vehicle that is assigned to you on booking
- No need to phone an operator

Cashless payment

- 100% cashless experience; no requirement to stop at cash machines

Price

- Better value for money than alternative options due to efficiency of the system
- Transparent pricing (available on our website and in the app)
- Receipt emailed to you at the end of the ride with trip details and map

Fare split

- Riders can split the fare of their trip with friends simply by pushing a button in the app - great for the cost conscious!

Quality

- High quality drivers and vehicles due to real-time feedback in app, stringent requirements and face-to-face training delivered by local team

U B E R

DRIVER BENEFITS

| |
|---|
| Reliable and regular payments |
| No fixed / radio fees |
| No predetermined schedule or hours |
| Objective allocation and dispatch |
| Quality feedback |
| Increased earnings |

- Drivers paid in full every week directly into their bank accounts
- No cash required by drivers which reduces chance of theft
- Uber provides full invoices and statements so drivers can easily manage their business
- Uber only takes a 20% fee on fares **after** trips have been completed
- No fixed costs for radio rental – drivers earn profit from the first trip
- Drivers set their own hours and can log on/off when they choose
- Easier for drivers to juggle work and family commitments
- Fair and automated dispatch: the nearest driver to a rider is sent the request
- If they don't accept, the request is passes to the next nearest available driver
- Feedback is provided to drivers to help improve based on rider comments
- Drivers spend less time between trips & therefore can do more trips per hour meaning they earn more money in a shorter period of time