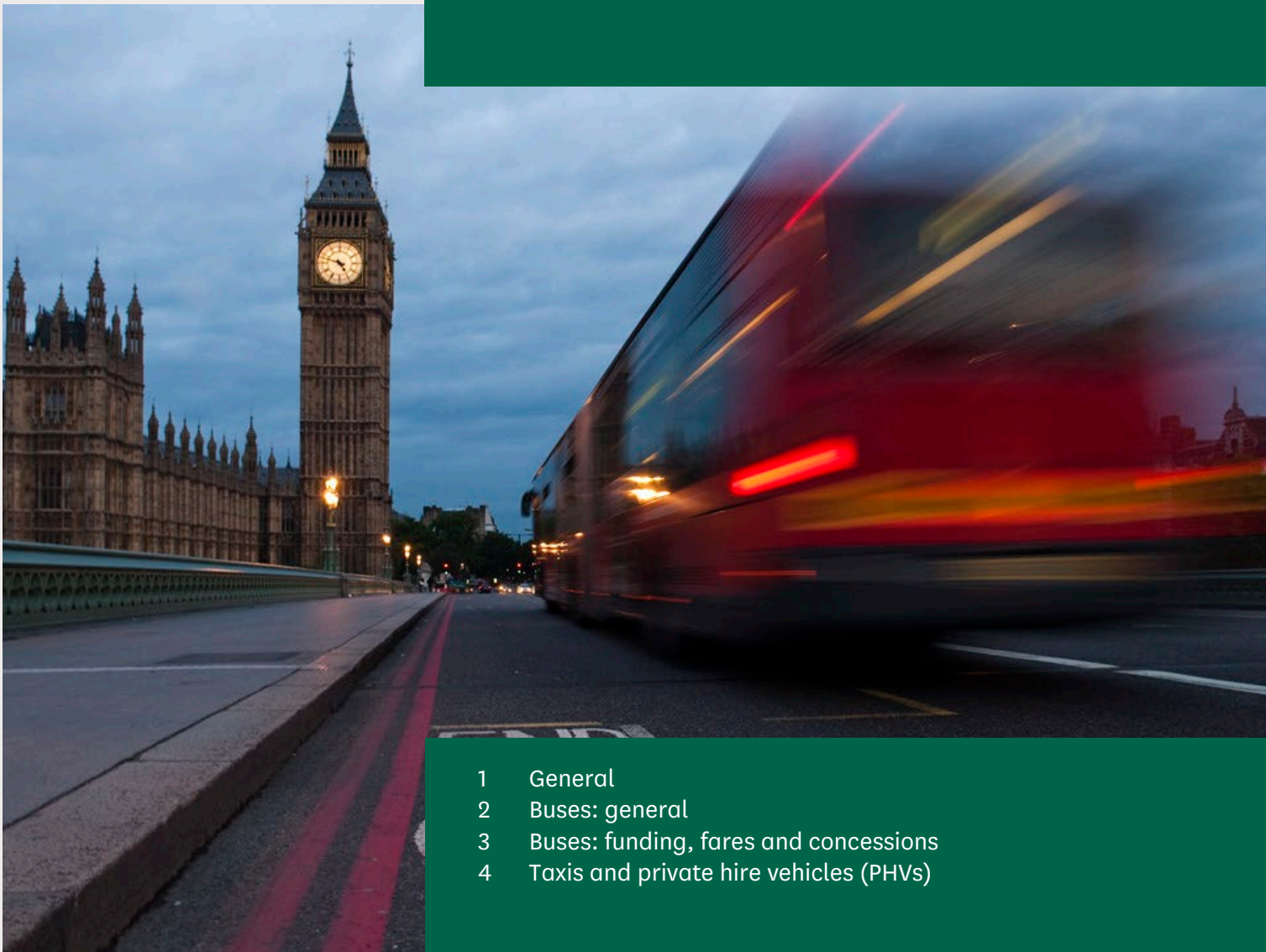


**Research Briefing**

24 January 2024

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# Buses and Taxis FAQs



- 1 General
- 2 Buses: general
- 3 Buses: funding, fares and concessions
- 4 Taxis and private hire vehicles (PHVs)

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# 1 General

## 1.1 Who is responsible for policy on local public transport?

This is a wide-ranging policy area including bus services, community transport, and taxis. Policy making in these areas is devolved in Scotland, Wales and Northern Ireland.

### England

In England, overall policy is set by the Department for Transport (DfT). At a local level, a great deal of policy making now rests in the hands of Mayoral Combined Authorities (MCAs) which have elected ‘metro mayors’. There are currently ten of these, in:

- Cambridgeshire & Peterborough
- Greater Manchester
- Liverpool City Region
- London
- North of Tyne
- South Yorkshire
- Tees Valley
- the West Midlands
- the West of England
- West Yorkshire<sup>1</sup>

While DfT will set a policy framework, these mayors have varying levels of autonomy in deciding what policies to pursue (e.g. Manchester franchising its bus services, London introducing congestion charging). More information can

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<sup>1</sup> Institute for Government [Metro mayors](#) May 6, 2022

be found in the Library briefing on [Devolution to local government in England](#).<sup>2</sup>

Local public transport networks are managed by around 150 local transport authorities – county, unitary and district councils – and regional transport bodies like [Transport for London](#) and [Transport for West Midlands](#).<sup>3</sup> In two tier-authorities taxi licensing is the responsibility of borough or district councils, meaning there are [over 270 taxi licensing](#) authorities in England.

## Scotland

In Scotland, [Schedule 5, Part II, Head E](#) of the Scotland Act 1998, as amended, prescribes those areas reserved to the UK Parliament; everything else is devolved. The 1998 Act was substantially amended in 2012 and 2016.<sup>4</sup> There are no specific reservations regarding local public transport – buses, taxis, and community transport are all devolved matters for the Scottish Government. One exception is the role of Traffic Commissioners which is reserved (see Question 2.4 below). Recent reform in some of these areas was provided for in the [Transport \(Scotland\) Act 2019](#).<sup>5</sup> Transport policy is developed by [Transport Scotland](#), and delivered by local authorities and their representatives in seven [Regional Transport Partnerships](#).<sup>6</sup>

## Wales

[Schedule 7A, Part II, Head E](#) of the Government of Wales Act 2006 (as amended) prescribes those areas reserved to the UK Parliament; everything else is devolved.<sup>7</sup> There are no specific reservations regarding local public transport – buses, taxis, and community transport are all devolved matters for the Welsh Government. One exception is the role of Traffic Commissioners which is reserved (see Question 2.4 below).

## Northern Ireland

Local public transport in Northern Ireland is completely devolved, governed by separate legislation and managed in a different way. The [NI Department for Infrastructure](#) is responsible for policy and bus services are operated by the state-owned [Translink](#).<sup>8</sup>

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<sup>2</sup> Commons Library research briefing SN-07029, [Devolution to local government in England](#)

<sup>3</sup> Transport Action Network [Summary of Regional Transport Bodies](#) [Accessed 6 October 2022]

<sup>4</sup> [Schedule 5, Part II, Head E](#), Scotland Act 1998

<sup>5</sup> [Transport \(Scotland\) Act 2019](#).

<sup>6</sup> Transport Scotland, [Regional Transport Partnerships](#) [Accessed 19 December 2023]

<sup>7</sup> [Schedule 7A, Part II, Head E, Government of Wales Act 2006](#)

<sup>8</sup> NI Department for Infrastructure [Public Transport](#) [Accessed 6 October 2022]; Translink [Our Vision](#) [Accessed 6 October 2022]

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## 2 Buses: general

### 2.1 What is a local bus service?

There are certain characteristics that in law define a local bus service, this includes the vehicle, the route and the distance between termini. This is important for things like the drivers' hours rules that drivers must abide by, the accessibility and physical infrastructure requirements for the vehicle, the type of fares that can be charged and whether concessionary travel passes (like the Older Person's Bus Pass) will be accepted.

[Section 2](#) of the Transport Act 1985, as amended, defines a 'local service' as one that uses one or more [public service vehicles](#), for the carriage of passengers by road at separate fares.<sup>9</sup> The following exceptions apply:

- Trips organised privately by persons acting independently of vehicle operators;<sup>10</sup>
- When every vehicle used in providing a service is so used under a [section 19 permit](#) (run on a not-for-profit basis and carrying restricted groups of passengers);<sup>11</sup>
- The place where a passenger is set down is fifteen miles or more, measured in a straight line, from the place where they were taken up or some point on the route between those places is fifteen miles or more, measured in a straight line, from either of those places.<sup>12</sup>

The question as to what is a 'bus' or a 'coach' is set out in law and [relates to](#) whether the vehicle is designed and constructed for the carriage of seated and standing passengers – buses are designed to accommodate standing, coaches are not.<sup>13</sup>

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<sup>9</sup> [Section 2, Transport Act 1985](#). Public Services Vehicles are defined in [Section 1 of the Public Passenger Vehicles Act 1981](#)

<sup>10</sup> [Part III, Schedule 1, Public Passenger Vehicles Act 1981](#)

<sup>11</sup> Section 19, Transport Act 1985. See DfT Guidance [Section 19 and 22 permits and obligations: not for profit passenger transport](#) 30 December 2020

<sup>12</sup> [Section 2, Transport Act 1985](#)

<sup>13</sup> The definition of a bus as a public service vehicle designed and constructed for the carriage of both seated and standing passengers is given in [Regulation 2 of The Public Service Vehicles Accessibility Regulations 2000](#)

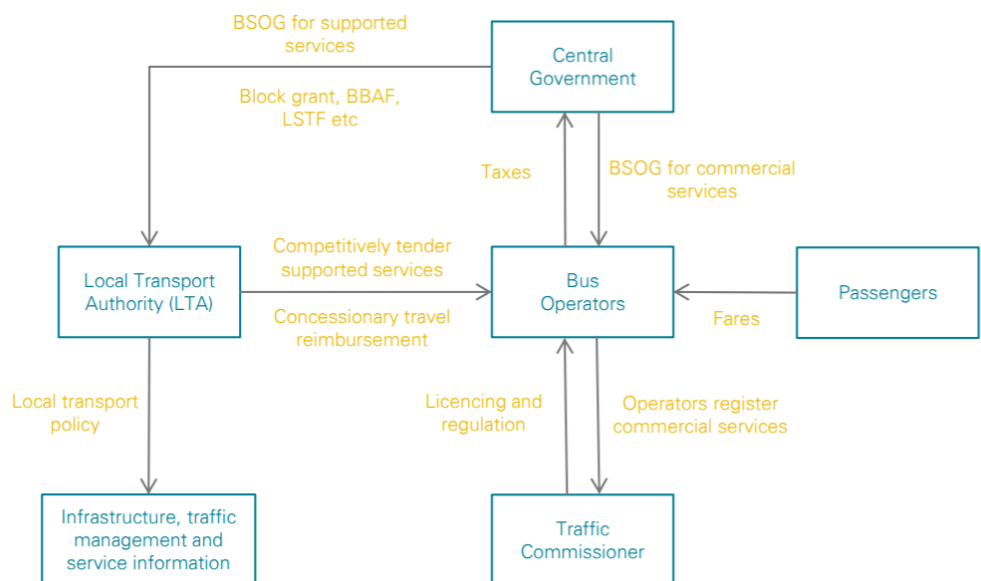
## 2.2

# Who runs bus services in England?

Local bus services in England are delivered within a complex, deregulated arrangement, involving the following actors:

- **Central Government** in the form of the Department for Transport (DfT) providing strategic leadership and specific funding, plus more general funding from and the Department for Levelling Up, Housing and Communities (DHLUC) – see Question 3.1 below on funding
- **Local authorities** who can fund non-commercial, ‘socially necessary’ services under a tender agreement
- **Traffic Commissioners** who license and to some extent regulate bus operators<sup>14</sup>
- **Bus operators** have almost total freedom as to whether, how, where and when they run their services, providing they meet certain requirements in terms of relevant notice etc. These are generally called ‘commercial services’.

The graphic below, from a [2016 KPMG report for the DfT](#),<sup>15</sup> shows the interactions between these players:



Source: KPMG Analysis

With some relatively minor changes, this has been the arrangement since bus services were deregulated by the Conservative Government in the mid-1980s.

<sup>14</sup> Traffic Commissioners [About Us](#) [Accessed 6 October 2022]

<sup>15</sup> KPMG/DfT Independent report [Local bus market study](#) 26 January 2016, Page 17



The main bus operators are Stagecoach; FirstGroup; Arriva; National Express; and Go-Ahead. They dominate the market, controlling up to 70% in 2011 by number of services registered, and around 80% in 2020.<sup>16</sup>

See also Question 3.1 ‘How are bus services funded?’ below.

## 2.3 How can local authorities in England have more control over local buses?

In England it is currently prohibited for local authorities to set up municipal, council-owned bus companies, but the Government has said it will review this prohibition.<sup>17</sup>

Since the publication of the Government’s 2021 [National Bus Strategy](#) all local authorities must create “enhanced partnerships” with local bus operators, which allow them to collaborate on bus provision.<sup>18</sup>

Alternatively, since the introduction of the [Bus Services Act 2017](#) local authorities can opt to introduce bus franchising which gives them far greater control over bus services. Great Manchester Combined Authority is, so far, the only authority in England to have introduced franchising outside of London.<sup>19</sup>

### Municipal Buses

In England, the creation of municipal council-operated bus services is prohibited under the Bus Services Act 2017.<sup>20</sup> In 2017 there were six municipal bus companies in England: Blackpool Transport Services Ltd., Halton Borough Transport Ltd., Ipswich Buses Ltd., Nottingham City Transport Ltd., Reading Buses, and Network Warrington.<sup>21</sup> All other municipal bus companies were sold or merged in the 30 years following the Transport Act 1985, which allowed deregulation and privatisation of the sector.<sup>22</sup>

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<sup>16</sup> Competition Commission [Local bus services market investigation](#) 20 December 2011 [PDF]; Statista [Leading bus operators in the regional bus market in the UK in 2020](#), by market share July 15 2022

<sup>17</sup> PQ 203380 [[Bus Services](#)], answered 23 October 2023

<sup>18</sup> Local authorities were required under the 2021 National Bus Strategy to either set up an Enhanced Partnership or a franchising scheme if they were to continue to receive bus funding. See DfT, [Bus Back Better: national bus strategy for England](#), 15 March 2021, p11

<sup>19</sup> Greater Manchester Combined Authority Press Release, [Greater Manchester retakes control of buses with historic Bee Network launch](#), 19 September 2023

<sup>20</sup> [Section 22, Bus Services Act 2017](#)

<sup>21</sup> Transport Committee, [Bus services in England outside London](#) (PDF), 22 May 2019, HC 1425 2017–19, p15, Para 12

<sup>22</sup> [Transport Act 1985](#)

The Government has said it will issue a Call for Evidence during this Parliament as the first part of a review “into whether it remains right that local authorities cannot set up new municipal bus companies”.<sup>23</sup>

## Franchising

Since deregulation, local authorities’ role in the provision of local bus services has been limited, with little control over the level and structure of fares, integrated ticketing, the stability of the network, branding and marketing, and the overall integration of the bus network into wider transport policy.<sup>24</sup> This is why councils have for decades been calling for increased powers to ‘re-regulate’ bus services in their areas – so even if they cannot own the buses, they can have more control over the network and the fares charged.<sup>25</sup>

The Conservative Government legislated under the Bus Services Act 2017 to allow Mayoral Combined Authorities (MCAs, see Question 1.1) to ‘franchise’ their bus services and take back control of routes, timetables and fares, in a similar way to Transport for London.<sup>26</sup> MCAs can instigate franchising without the consent of the Secretary of State, while all other councils must obtain this consent first.<sup>27</sup>

Greater Manchester used these powers to start its own ‘Bee Network’ bus franchising system in September 2023, which is expected to cover the entire Manchester city-region by January 2025.<sup>28</sup> The Liverpool City Region and Cambridgeshire & Peterborough MCAs have also signalled an intention to introduce franchising.<sup>29</sup>

In 2017, the DfT published guidance on how local authorities can establish franchising for bus services.<sup>30</sup> The DfT told the Transport Committee in 2023, in response to its report on the [Implementation of the National Bus Strategy](#), that it will update this guidance “as soon as possible”.<sup>31</sup>

## Enhanced Partnerships

Local authorities were required under the 2021 [National Bus Strategy](#) to set up either a franchising scheme, or an “Enhanced Partnership” (EP) with local bus operators. If they did neither then they would not receive discretionary bus

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<sup>23</sup> PQ 203380 [[Bus Services](#)], answered 23 October 2023

<sup>24</sup> Transport Committee, [Bus services in England outside London](#) (PDF), 22 May 2019, HC 1425 2017–19, p15, Para 12

<sup>25</sup> Public Finance [Councils should control bus company subsidies, says LGA](#) 17 September 2010

<sup>26</sup> Commons Library Briefing Paper CBP-7545 [Bus Services Act 2017](#)

<sup>27</sup> [Section 123A, Transport Act 2000](#), as amended by [Section 4, Bus Services Act 2017](#)

<sup>28</sup> Greater Manchester Combined Authority Press Release, [Greater Manchester retakes control of buses with historic Bee Network launch](#), 19 September 2023

<sup>29</sup> Liverpool City Region Press Release [Liverpool City Region bus revolution moves another step closer](#) 4 March 2022; Cambridgeshire & Peterborough Combined Authority [Bus Reform](#) [Accessed 7 October 2022]

<sup>30</sup> DfT Guidance, [Bus Services Act 2017: bus franchising creation](#), 27 November 2017

<sup>31</sup> Transport Committee, [Implementation of the National Bus Strategy: Government response to the Committee’s Fourth Report](#) (PDF), 22 June 2023, HC 1431 2022–23, p4

funding from the DfT.<sup>32</sup> Apart from Greater Manchester, all local authorities have, so far, chosen the EP option.

An EP Scheme entails an exchange: local authorities, for example, may agree to fund bus lanes, parking restrictions or other facilities which make bus services more attractive and profitable. Operators, in return, agree to a set of standards, such as on the time and frequency of services and vehicle standards.<sup>33</sup>

In its inquiry into the [Implementation of the National Bus Strategy](#), the Transport Committee said EPs were “a largely untested” idea and the “Government has made a big bet on them being the right model. It must carefully monitor how well they are working and ensure appropriate contingencies are in place.”<sup>34</sup>

For more information see the Commons Library Briefing Paper [The National Bus Strategy: Bus policy in England outside London](#).<sup>35</sup>

## 2.4

# How can local authorities in Scotland and Wales have more control over buses?

## Scotland

Part 3 of the Transport (Scotland) Act 2019 provided powers for local transport authorities to run their own bus services; franchise bus services in their areas; or enter into a Bus Service Improvement Partnerships (BSIPs) with bus operators within their areas.<sup>36</sup> These powers were brought into force on 4 December 2023 by regulations.<sup>37</sup>

The Scottish Government has created a [Community Bus Fund](#) (CBF). Local authorities can apply for CBF funding to both help them prepare potential franchising or partnership schemes.<sup>38</sup>

Section 34 of the Transport (Scotland) Act 2019 gives local transport authorities the power to run local bus services that they were previously

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<sup>32</sup> See DfT, [Bus Back Better: national bus strategy for England](#), 15 March 2021, p11

<sup>33</sup> Transport Committee, [Implementation of the National Bus Strategy](#) (PDF), 30 March 2023, HC 161 2022–23, Para 62

<sup>34</sup> Transport Committee, [Implementation of the National Bus Strategy](#) (PDF), 30 March 2023, HC 161 2022–23, Para 69

<sup>35</sup> Commons Library Briefing Paper CBP-9464 [The National Bus Strategy: Bus policy in England outside London](#).

<sup>36</sup> [Part 3 of the Transport \(Scotland\) Act 2019](#)

<sup>37</sup> [The Transport \(Scotland\) Act 2019 \(Commencement No. 7\) Regulations 2023](#)

<sup>38</sup> Transport Scotland, [Community Bus Fund](#), [Accessed 21 December 2023]

prohibited from doing under the Transport Act 1985.<sup>39</sup> The Scottish Government has issued [guidance](#) on this.<sup>40</sup>

## Wales

The Welsh Government published a White Paper on bus reform in March 2022, titled [One network, one timetable, one ticket: planning buses as a public service for Wales](#). This committed to:

- removing the Transport Act 1985 ban on council-run bus companies
- pursuing franchising, co-ordinated at a local, regional and ultimately national level, with Welsh Ministers bearing revenue risk and co-ordinating bus services with train services<sup>41</sup>

Unlike the [Bus Services \(Wales\) Bill](#) (which was introduced and then withdrawn in 2020), the 2022 White Paper removed an alternative option for local authority/bus operator ‘partnerships’, and focus solely on franchising:

a [partnerships] system does not allow us, quickly and surely, to deliver a ‘One Network, One Timetable, One Ticket’ system across Wales that works alongside trains. We believe that to achieve the pace and certainty that the climate emergency demands of us bus networks in Wales need to be franchised. That assessment concluded that, even taking the conservative (i.e. high) cost estimate of implementing franchising at the individual local authority level, the benefits available from franchising outweigh those delivered either by partnership models or the current legislative framework. It also shows that if significant wider investment is made in the bus system, franchising continues to deliver more benefits than partnerships as an alternative.

Further information on these reforms can be found in the Senedd Research article, [Bus services on life support: can franchising deliver for Wales?](#)<sup>42</sup>

## 2.5

## What powers do the Traffic Commissioners have?

Across Great Britain, Traffic Commissioners licence operators, register commercial services and monitor operator service punctuality.<sup>43</sup> There are eight Traffic Commissioners which each cover different parts of Great Britain. Traffic Commissioners have a role in both Wales and Scotland because public

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<sup>39</sup> [Section 34, Transport \(Scotland\) Act 2019; Section 66, Transport Act 1985](#)

<sup>40</sup> Transport Scotland, [Information note: The local authority run services provision in the Transport \(Scotland\) Act 2019](#), [Accessed 21 December 2023]

<sup>41</sup> Welsh Government consultation outcome, [One network, one timetable, one ticket: planning buses as a public service for Wales](#), 31 March 2022

<sup>42</sup> Senedd Research article, [Bus services on life support: can franchising deliver for Wales?](#) 7 December 2023

<sup>43</sup> Traffic Commissioners for Great Britain [About Us](#) [Accessed 7 October 2022]

service vehicle operator licensing is a reserved matter under [Schedule 5 of the Scotland Act 1998](#) and [Schedule 7A of the Government of Wales Act 2006](#) (as amended).

The Senior Traffic Commissioner (STC) is a statutory appointment. The STC provides statutory guidance to colleagues to help secure consistency in licensing decisions and procedures without comprising judicial independence.<sup>44</sup> The STC cannot issue guidance on wholly-devolved issues in Scotland or Wales.

The eight Traffic Commissioners are appointed by the Secretary of State for Transport, in Scotland after consultation with Scottish Ministers, and have responsibility in their traffic area for:

- the licensing of the operators of heavy goods vehicles (HGVs) and of buses and coaches (Public Service Vehicles or PSVs);
- the registration of local bus services, outside London;
- granting vocational licences and taking action against drivers of HGVs and PSVs; and
- the environmental suitability of centres designated as parking locations for HGVs.<sup>45</sup>

Commissioners are statutorily independent in all their licensing functions. When necessary, they instigate regulatory public inquiries, and they consider the possibility of sanctions against PSV drivers and managers at conduct hearings. Past inquiry decisions and sanctions, including revocations of PSV operator licences, can be found at the relevant Traffic Commissioners' [webpage](#).<sup>46</sup>

Each bus operator needs to apply for a PSV operator's licence from a Traffic Commissioner in the relevant area and must meet the statutory criteria for eligibility (good repute, financial standing, and competence).<sup>47</sup> For new routes, the operator must notify the relevant local authority (or authorities) in advance of notifying the Traffic Commissioner. Operators must also register timetables for services and follow specific procedures if they seek to amend or cancel services. Frequent services (i.e. routes with at least six buses per hour) do not have to register a timetable.<sup>48</sup>

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<sup>44</sup> Traffic Commissioners for Great Britain Collection [Senior Traffic Commissioner's statutory guidance and statutory directions](#) 21 July 2021

<sup>45</sup> Traffic Commissioners for Great Britain [About Us](#) [Accessed 7 October 2022]

<sup>46</sup> Traffic Commissioners for Great Britain Collection: [Regulatory decisions about truck, bus and coach operator licences and safety standards](#) 5 October 2022

<sup>47</sup> Gov.uk [PSV \(Public Service Vehicle\) operator licences](#) [Accessed 7 October 2022]

<sup>48</sup> See Traffic Commissioners for Great Britain Statutory guidance [Traffic commissioners: local bus services in England \(outside London\) and Wales](#); Transport Scotland [Bus policy and guidance](#) [Accessed 7 October 2022]

Traffic Commissioners set punctuality standards against which the performance of local bus services is measured. They also have the power to take action if an operator no longer meets the conditions of its licence or does not operate services in line with the registration that it made.<sup>49</sup>

In Northern Ireland, the Department for Infrastructure is the licensing authority for bus operators. The Driver and Vehicle Agency (DVA) carries out the licensing function on the Department's behalf, including the enforcement of bus operator licences with the power to suspend or revoke licences for non-compliance.<sup>50</sup>

## 2.6 Who decides whether to provide, change or cut a bus route?

Bus operators decide what routes to run on a commercial basis. As indicated in Question 2.4 above, new, changed and withdrawn routes must be notified to the local Traffic Commissioner. The [Senior Traffic Commissioner advises](#) that although there is no legal requirement to do so, it is good practice to put a notice in the vehicles used to provide the service advising passengers that the service is being changed or withdrawn.<sup>51</sup>

Where there is no commercial case to provide a route, the local authority can step in and pay for a bus operator to provide a 'socially necessary' service, under [Section 63 of the Transport Act 1985](#).<sup>52</sup> Councils do not always have the money to provide the routes they would like and in the past decade many have been withdrawn.<sup>53</sup> Under the Government's 2021 National Bus Strategy, it said it plans to issue new guidance on 'socially necessary' services, expanding the category to include 'economically necessary' services which help people living in isolated areas or night-workers.<sup>54</sup>

Bus timetables are not necessarily aligned with other forms of transport. Rail timetable changes take place in May and December, but bus services can be amended whenever a bus operator chooses. They are not required to consider integration with the timetables for other transport modes.

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<sup>49</sup> [Section 26 of the Transport Act 1985](#) (which applies across Great Britain) enables the traffic commissioner to attach conditions prohibiting the operator from running certain local services or local services of any description. Further details of sanctions the Traffic Commissioners can issue can be found at Traffic Commissioners for Great Britain Statutory guidance [Statutory Document No. 14: local bus services in England \(outside London\) and Wales](#) Updated 15 October 2021

<sup>50</sup> DVA [A Guide to Licensing for Bus Service Operators](#) 26 January 2022

<sup>51</sup> Traffic Commissioners for Great Britain [Operating registered local bus services in England \(except London\) and Wales - guide for operators](#) 4 May 2018, Para 7

<sup>52</sup> [Section 63, Transport Act 1985](#)

<sup>53</sup> Campaign for Better Transport [Now's the chance to reverse the fortune of buses](#) 25 October 2019

<sup>54</sup> DfT [Bus Back Better: National Bus Strategy for England](#), March 2021 pages 47-48; PQ 77418 [[Public Transport: Night-time Economy](#)] tabled 2 November 2022

## 2.7

## Who can I contact with a complaint?

To make a complaint, representation should first be made to the relevant bus company (or to TfL, in London). Depending on the nature of the complaint, things to bear in mind might include:

- what bus service you were travelling on;
- where you got on (or tried to get on);
- where you were travelling to (or hoping to travel to);
- the date;
- the time (be as precise as possible); and
- what went wrong.

If a passenger is not satisfied with the bus company's response, they can escalate the complaint to the relevant body, depending on where the bus journey happened:

- In Great Britain outside Greater London, the body handling complaints for scheduled bus and coach services is [Bus Users UK](#). Bus Users UK are a registered charity, formally recognised by the DfT and Scottish and Welsh Governments, and an approved Alternative Dispute Resolution (ADR) body for the bus and coach industry.<sup>55</sup>
- In Northern Ireland, it is the [Consumer Council for Northern Ireland](#).<sup>56</sup>
- In London the body handling complaints for TfL's bus services (as well as all other TfL services such as the tube, DLR) is [London TravelWatch](#), an independent, statutory watchdog funded by the London Assembly.<sup>57</sup>

More serious complaints, about the following problems, can be reported to the [Driver and Vehicle Standards Agency \(DVSA\)](#):

- breaking drivers' hours rules
- overloading vehicles
- using vehicles that are not safe to drive (unroadworthy)
- using emission cheat devices
- carrying dangerous or hazardous goods without permission

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<sup>55</sup> Bus Users [Our History](#) [Accessed 7 November 2022]

<sup>56</sup> NIDirect [Making a complaint about bus or coach services](#) [Accessed 7 November 2022]

<sup>57</sup> London TravelWatch [Introduction to London TravelWatch](#) [Accessed 7 November 2022]

- scheduled bus services in England (outside London) and Wales departing late, early, or not turning up at all<sup>58</sup>

The DVSA and Bus Users UK can also refer complaints to Traffic Commissioners for investigation and potential enforcement action.

## 2.8 Are there rules for the behaviour of bus passengers?

Regulations 6 and 8 of the Public service vehicles (conduct of drivers, inspectors, conductors and passengers) regulations 1990, are the extent of legislation of passenger behaviour. They include that no passenger on a vehicle:

- shall put at risk or unreasonably impede or cause discomfort to any person travelling on or entering or leaving the vehicle, or a driver, inspector, conductor or employee of the operator when doing his work on the vehicle; or
- remain on the vehicle, when directed to leave by the driver, inspector or conductor because they have been “causing a nuisance” or playing or operating any musical instrument or sound reproducing equipment to the annoyance of any person on the vehicle or in a manner which is likely to cause annoyance to any person on the vehicle.<sup>59</sup>

Any passenger on a vehicle who is reasonably suspected by the driver, inspector or conductor of the vehicle of contravening any provision shall give their name and address to the driver, inspector or conductor on demand and may be removed from the vehicle.<sup>60</sup>

In addition, all bus companies have ‘conditions of carriage’ that passengers agree to when they board their vehicles. They include codes for general good behaviour and set out the circumstances where someone might be refused travel (e.g. [Arriva](#), [First Bus](#), [National Express](#) and [Stagecoach](#)).

In London there are [rules of travel for under 18s](#) – linking a young person’s right to concessionary travel with their behaviour.<sup>61</sup> Other local authorities have similar schemes.

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<sup>58</sup> DVSA [Report a lorry, bus or coach driver or company](#) updated 4 August 2022

<sup>59</sup> [Regulation 6, The Public Service Vehicles \(Conduct of Drivers, Inspectors, Conductors and Passengers\) Regulations 1990](#)

<sup>60</sup> [Regulation 8, The Public Service Vehicles \(Conduct of Drivers, Inspectors, Conductors and Passengers\) Regulations 1990](#)

<sup>61</sup> TfL [Rules of travel for under 18s](#) [Accessed 6 December 2022]



## 2.9

# Are there any standards for school buses?

In England and Scotland there are no special standards for ‘school buses’. Wales legislated for standards on dedicated school buses in 2011 through the [Safety on Learner Transport \(Wales\) Measure 2011](#).<sup>62</sup>

Parents are sometimes concerned that their children are travelling to and from school on buses that might involve them standing or otherwise in an unsafe manner. These matters should be raised with the school or local authority that contracted with the bus operator to provide the service. They would be responsible for specifying any particular safety standards in the tender they let for the service.

All passenger carrying vehicles like buses and coaches are subject to an annual vehicle standards check (the equivalent of the MOT). Any mechanical or other problems should be picked up then. The Driver and Vehicle Standards Agency (DVSA) [inspection manual](#) shows the detail into which these tests go, including everything one would expect in terms of safety (brakes, tyres, seat belts, chassis, etc.).<sup>63</sup> For Northern Ireland, the Driver Vehicle Agency (DVA) has a similar [guide to maintaining roadworthiness](#).<sup>64</sup>

Ultimately, in Great Britain the Traffic Commissioners are responsible for enforcing standards. The Commissioners require that all vehicles be maintained in a roadworthy condition when operated under an operator’s licence, this does not just include the annual service but daily ‘walk around’ checks. More information on this is available in the DVSA’s [Guide to maintaining roadworthiness](#).<sup>65</sup>

If one thinks that a vehicle is on the road otherwise than in a roadworthy condition they should raise the matter with the [local Traffic Commissioner](#).

In Northern Ireland, the Department for Infrastructure is the licensing authority for bus operators. The Driver and Vehicle Agency (DVA) carries out the licensing function on the Department’s behalf, including the enforcement of bus operator licences with the power to suspend or revoke licences for non-compliance.<sup>66</sup>

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<sup>62</sup> [Safety on Learner Transport \(Wales\) Measure 2011](#)

<sup>63</sup> DVSA Guidance [MOT inspection manual: public service vehicles \(PSVs\)](#) 11 April 2022

<sup>64</sup> DVA [A guide to maintaining roadworthiness](#) 10 December 2021

<sup>65</sup> DVSA Guidance [Keeping commercial vehicles safe to drive \(roadworthy\)](#) 15 December 2020

<sup>66</sup> DVA [A Guide to Licensing for Bus Service Operators](#) 26 January 2022

## 2.10

## Is there a limit on the number of people who can stand in a bus?

The maximum standing requirements, as set out in Regulation 6 of the [Public Service Vehicles \(Carrying Capacity\) Regulations 1984](#), as amended, are specified in individual bus certificates and displayed in vehicles.<sup>67</sup>

No standing is permitted on vehicles with seating capacity for fewer than 13 passengers; with a gangway any part of the height of which is less than 1.77 metres; or half-decked vehicles.

Anyone standing must be carried in accordance with the relevant Regulation 7 of the 1984 Regulations. This provides that:

No person shall drive, or cause or permit to be driven, on a road a vehicle if the number of standing passengers exceeds the maximum specified ...

No person shall stand on—

- a) the upper deck or on any step leading to the upper deck of any double-decked vehicle,
- b) any part of a gangway of a vehicle forward of the rearmost part of the driver's seat; or
- c) any part of a vehicle in which the operator has indicated by a notice, the letters on which are at least 10 millimetres tall and in a colour contrasting with the colour of their background, that no standing shall occur.<sup>68</sup>

Any evidence that a bus operator is acting other than in accordance with these requirements should be reported to the [local Traffic Commissioner](#), who is responsible for enforcing bus operator licences.

## 2.11

## Are there any rules on where a council can put a bus stop?

Local authorities are responsible for the provision of the infrastructure to assist the smooth running of bus services, and this includes the erection and upkeep of bus stops as well as any signs on the road.

The relevant guidance remains [chapter 8](#) of the Department for Transport (then the DETR)'s guide to traffic management, Keeping Buses Moving,

<sup>67</sup> [Public Service Vehicles \(Carrying Capacity\) Regulations 1984](#)

<sup>68</sup> [Public Service Vehicles \(Carrying Capacity\) Regulations 1984](#)

published in 1997.<sup>69</sup> This sets out a series of principles for the siting of bus stops, such as:

- There are advantages to be gained for operators, the highway authority and the police in agreeing sites for bus stops. Where agreement cannot be reached, the Traffic Commissioner is often asked to arbitrate;
- In town centres it is important that bus stops are located conveniently for the main shopping and business areas, and preferably nearer to those areas than major car parks. This makes services more convenient for passengers, particularly older people and those with disabilities;
- The safety of passengers is most important, both while waiting at stops and whilst walking to and from them. For these reasons it is preferable that passengers do not have to cross major traffic flows to reach their destination. If this is unavoidable, bus stops should be located close to pedestrian crossing facilities; and
- Where space is extremely limited a bus stop may be located in the controlled area of a pedestrian crossing (indicated by zig-zag lines) on the leaving side of the crossing, but not in the approach.<sup>70</sup>

The guidance should be read alongside [chapter 6.5](#) of the Department for Transport's 2007 Manual for Streets.<sup>71</sup> This contains additional guidance such as:

- The siting of bus stops should be based on trying to ensure they can be easily accessed on foot. Their precise location will depend on other issues, such as the need to avoid noise nuisance, visibility requirements, and the convenience of pedestrians and cyclists;
- Bus stops should be placed near junctions so that they can be accessed by more than one route on foot, or near specific passenger destinations (schools, shops, etc.) but not so close as to cause problems at the junction;
- Consideration should be given to providing cycle parking at bus stops with significant catchment areas;
- Footways at bus stops should be wide enough for waiting passengers while still allowing for pedestrian movement along the footway. This may require local widening at the stop; and

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<sup>69</sup> DfT Guidance, [Keeping buses moving \(LTN 1/97\)](#), 14 October 1997

<sup>70</sup> DfT Guidance, [Keeping buses moving \(LTN 1/97\)](#), 14 October 1997, Para 8.1-8.2

<sup>71</sup> DfT Guidance, [Designing and modifying residential streets](#), 29 March 2007

- Buses can help to control the speed of traffic at peak times by preventing cars from overtaking. This is also helpful for the safety of passengers crossing after leaving the bus.<sup>72</sup>

## 2.12

### What are the rules on bus and coach accessibility?

Details on legislation regarding bus and coach accessibility can be found in Section 3 of the Commons Library briefing [Access to transport for disabled people](#).<sup>73</sup>

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<sup>72</sup> DfT Guidance, [Designing and modifying residential streets: Manual for Streets](#), 29 March 2007, Chapter 6.5

<sup>73</sup> Commons Library briefing SN-00601, [Access to transport for disabled people](#)

## 3 Buses: funding, fares and concessions

### 3.1 How are bus services in England funded?

#### Ongoing funding

In England outside London, bus services are funded through income from fares, and funding from central and local government. According to the National Audit Office (NAO), in 2018/19, most of the income bus operators received (59%) came from fare-paying passengers. The remaining 41% came from public funds.<sup>74</sup>

The main ongoing sources of bus funding from central Government are:

- the Bus Service Operators Grant (BSOG), a fuel subsidy paid by the DfT, usually directly to bus operators (See Question 3.2 below)
- the Revenue Support Grant from the Department for Levelling Up, Housing and Communities (DLUHC) paid to local authorities

Local authorities use the revenue support grant (the main un-ringfenced central government grant given to local authorities) to fund concessionary fare reimbursement to bus operators, and to fund ‘supported’ services.<sup>75</sup>

Supported services are those that are not deemed commercially viable by private operators, and that have to be funded by local authorities if they are to continue. The Campaign for Better Transport (CBT) found that in the 10 years to 2018/19 there was a reduction of £400 million a year to supported services in England,<sup>76</sup> and that between 2011/12 and 2019/20, supported services in England declined by 52% in terms of bus vehicle miles.<sup>77</sup>

#### Discretionary funding

Other sources of ad-hoc central grant funding have been made available in recent years. These include:

<sup>74</sup> NAO [Improving local bus services in England outside London](#) 2 October 2020, para 2.2

<sup>75</sup> Transport Committee [Bus services in England outside London](#), 15 May 2019, HC 1425 2017–19, para 28

<sup>76</sup> Campaign for Better Transport [Charity reveals extent of bus funding cuts, and how new funding settlement could reverse the decline](#) 24 October 2019

<sup>77</sup> Campaign for Better Transport [Funding local bus services in England](#) June 2022 [PDF], page 5. The CBT also estimate that commercial bus services also declined by 26% in the ten years between 2011/12 and 2020/21. Unlike supported services, most of that reduction came in the first year of the Covid pandemic, when bus ridership and fare revenue plummeted

- **Bus Recovery Grant** – The Covid-19 Bus Services Support Grant (CBSSG) was set up to support operators throughout the pandemic owing to reduced patronage.<sup>78</sup> This was renamed the Bus Recovery Grant (BSG) which was originally due to end in March 2022.<sup>79</sup> It was extended to October 2022 and then extended again to March 2023 with a further £130m of funding.<sup>80</sup>
- **BSIP funding** – As part of the Government’s 2021 National Bus Strategy<sup>81</sup>, the DfT asked all local authorities to develop a Local Bus Service Improvement Plan (BSIP) in 2021/22.<sup>82</sup> [Of 79 local transport authorities who submitted BSIPs, 31 were awarded central government funding](#) of £1.153bn to deliver their plan between 2022 and 2025.<sup>83</sup> BSIP funding is intended to grow patronage and improve bus services, not just to support or protect them.<sup>84</sup> See the Library briefing [The National Bus Strategy: Bus policy in England outside London](#).
- **BSIP+ funding** – £160 million (split into £80 million for 2022/23 and £80 million for 2034/24) awarded to 64 local authorities to spend on either improving or protecting bus services.<sup>85</sup>
- **Network North funding** - £150 million for local authorities in the North and Midlands from redirected HS2 funding.<sup>86</sup> This is the first tranche of £1 billion in [Network North](#) funding to improve bus services: £770 million for the North and nearly £230 million for the Midlands.<sup>87</sup>
- **£2 Fare Cap** - The UK Government has subsidised operators across England to cap many single bus fares at £2 since January 2023. The scheme has been extended to 31 December 2024 and is estimated to cost a total of £600 million<sup>88</sup> (See Question 3.4)

Under the Government’s Bus Back Better strategy, from April 2022 onwards, future sources of discretionary funding were made available only to local

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<sup>78</sup> DfT Guidance [Apply for the COVID-19 bus service support grant](#) 17 May 2021

<sup>79</sup> DfT Guidance [Claiming the Bus Recovery Grant](#) 19 August 2022

<sup>80</sup> DfT Press Release [£130 million to protect bus services across the country](#) 19 August 2022

<sup>81</sup> DfT [Bus Back Better: national bus strategy for England](#) 15 March 2021

<sup>82</sup> DfT Guidance [Bus service improvement plan](#) 17 May 2021

<sup>83</sup> DfT Press release, [Cheaper and better buses in £7 billion package to level up transport outside London](#), 4 April 2022

<sup>84</sup> DfT Transparency data, [Bus service improvement plans: local transport authority allocations](#), updated 23 October 2023; PQ 191645 [[Bus Services](#)], answered 3 July 2023

<sup>85</sup> DfT Transparency data, [Bus service improvement plans: local transport authority allocations](#), updated 23 October 2023; Local Gov, [“£80m bus funding confirmed”](#), 29 September 2023; PQ 191618 [[Bus Services](#)], answered 3 July 2023

<sup>86</sup> DfT Transparency data, [Bus service improvement plans: local transport authority indicative allocations 2024/25](#), updated 23 October 2023

<sup>87</sup> DfT Written statement to Parliament, [Funding boost of £150 million for local bus services](#), 23 October 2023

<sup>88</sup> DfT Press Release [New Year cheer: £2 bus tickets for thousands of routes](#) 1 January 2023; PQ 2631 [[Bus Services: Finance](#)], answered 28 November 2023

authorities which have either established ‘enhanced partnerships’ with operators, or a franchising scheme.<sup>89</sup>

The CBT has been critical of the one-off, competitive nature of grant funding for buses which they say has resulted in the ‘usual suspects’ – local authorities with track records of winning grant funding – receiving funding compared to those that do not, or don’t even apply, which are often in areas with the poorest bus provision.<sup>90</sup>

## 3.2 What is the Bus Service Operators Grant (BSOG)?

[Bus Services Operators Grant \(BSOG\)](#) is a grant paid to operators of eligible bus services and community transport organisations to help them recover some of their fuel costs.<sup>91</sup> BSOG was originally conceived as a fuel duty rebate, although it is no longer calculated on that basis. In some areas the Government gives BSOG directly to bus operators. In others, such as Mayoral combined authorities, the local authority receives the payment and can decide how it is paid to bus operators.<sup>92</sup>

A local authority that receives BSOG does not have to spend the money in the way outlined in BSOG guidelines, for example providing a rebate on fuel duty paid by operators, but are able to spend it on other measures, such as encouraging operators to invest in smart card readers for contactless payments. Community transport providers (see Question 3.10) can also claim BSOG.<sup>93</sup> Since March 2022, electric bus operators have also been able to claim BSOG payments.<sup>94</sup>

The Government says that BSOG “benefits passengers by helping operators keep fares down, and enabling operators to run services that might otherwise be unprofitable and could lead to cancellation.”<sup>95</sup>

In the Government 2021’s Bus Back Better Strategy it proposed to reform BSOG (following consultation) to ensure BSOG aligns with the Government’s wider objectives:

The main current funding stream, the Bus Service Operators Grant (BSOG), is a fossil fuel subsidy. The new funding regime will take a holistic approach targeted at the delivery of the policies in this strategy and other specific

<sup>89</sup> DfT [Bus Back Better: national bus strategy for England](#) 15 March 2021, Page 11

<sup>90</sup> Campaign for Better Transport [Funding local bus services in England](#) June 2022 [PDF], page 9

<sup>91</sup> DfT Collection [Bus services: grants and funding](#) 17 May 2021

<sup>92</sup> Transport Committee [Bus services in England outside London](#), 15 May 2019, HC 1425 2017–19, para 34

<sup>93</sup> DfT Guidance [Bus Service Operators Grant: guidance for community transport operators](#) 31 March 2022

<sup>94</sup> DfT Guidance [Bus Service Operators Grant: guidance for commercial transport operators](#) 31 March 2022; RouteOne [BSOG zero-emission incentive in England: Details revealed](#) 1 April 2022

<sup>95</sup> PQ 97688 [[Bus Services: Rural Areas](#)], answered 5 December 2022

benefits: growing patronage, increasing efficiency, improving the environment and securing modal shift from the private car.<sup>96</sup>

No dates for such a reform or consultation have yet been announced.

Since July 2023 bus operators claiming BSOG have also been able to claim BSOG+, a [£140 million fund announced in May](#) intended to protect existing bus routes.<sup>97</sup>

In Wales, BSOG has been replaced by the Regional Transport Services Grant, which fulfils the same function.<sup>98</sup> In Scotland, BSOG was replaced with the Network Support Grant in March 2022.<sup>99</sup>

### 3.3 What support is there for greener buses in England?

In 2020, the Government set a target of 4,000 zero emission buses (ZEBs) to be deployed in England by the end of the current Parliament.<sup>100</sup> This has most recently been delivered through the Zero Emission Bus Regional Areas (ZEBRA) scheme, for which £270 million has been allocated in total so far under the ‘ZEBRA 1’ scheme.<sup>101</sup> A further £130 is currently available under the ‘ZEBRA 2 scheme’.<sup>102</sup>

In March 2022, the Government said that 2000 buses had been funded in England and a further 600 in Scotland, Wales and Northern Ireland.<sup>103</sup> A further progress report was made by the Transport Minister, Richard Holden MP in November 2021.<sup>104</sup>

The ZEBRA scheme follows the Low Emission Bus Scheme (LEBS, first announced in 2015) and the Ultra-Low Emission bus scheme (which ran in 2018).<sup>105</sup>

DfT consulted on ending the sale of new, non-zero emission buses, coaches and minibuses between 26 March 2022 and 21 May 2022. Views were sought on a specific end date for new sales between 2025 and 2032, as well as the

<sup>96</sup> DfT [Bus Back Better: national bus strategy for England](#) 15 March 2021, Page 13

<sup>97</sup> DfT Guidance, [Bus Service Operators Grant Plus](#), 9 November 2023

<sup>98</sup> Gov.uk, [Run a local bus service](#) [Accessed 21 December 2023]

<sup>99</sup> Transport Scotland, [Network Support Grant](#), [Accessed 21 December 2023]

<sup>100</sup> Prime Minister’s Office Policy paper [The ten point plan for a green industrial revolution](#) 18 November 2020, Page 12

<sup>101</sup> DfT Guidance, [Zero Emission Bus Regional Areas \(ZEBRA\) scheme](#), 26 March 2022

<sup>102</sup> DfT Guidance, [Apply for zero emission bus funding \(ZEBRA 2\)](#), updated 20 November 2023

<sup>103</sup> DfT Press Release [UK on track to reach 4,000 zero emission bus pledge with £200 million boost](#) 26 March 2022

<sup>104</sup> PQ 86615 [[Buses: Procurement](#)], answered on 21 November 2022

<sup>105</sup> DfT Transparency data [Low emission bus scheme: successful bidders](#) 28 August 2017; DfT Transparency data [Ultra-low emission bus scheme: successful bidders](#) 6 February 2019



types of vehicles this would impact. The outcome of this consultation is yet to be published.<sup>106</sup>

## 3.4 Who sets bus fares?

Usually, individual bus operators decide what fares to set on a commercial basis, except in London where fares are set by Transport for London.

Local authorities can choose to cap fares by subsidising operators. For instance, in September 2022 Transport for Greater Manchester (TfGM) capped all adult single fares within the Greater Manchester region at £2.<sup>107</sup> This was paid for using a Bus Service Improvement Plan (BSIP) award secured from the DfT.<sup>108</sup>

The UK Government has also subsidised operators across England to cap many single bus fares at £2. The £2 bus fare cap began on 1 January 2023 and was initially only supposed to run until March 2023 but has been extended several times. The Government's [Network North policy paper](#), published 4 October 2023, said the £2 fare cap will be extended until the end of December 2024.<sup>109</sup> The Government has said this fare cap will have cost around £600 million since it was [first announced in September 2022](#).<sup>110</sup>

The Campaign for Better Transport welcomed the cap, but said it should be extended indefinitely to avoid passengers abandoning buses once fares go back up to their usual price.<sup>111</sup>

The Scottish and Welsh Governments have not introduced a £2 bus cap. The Welsh Government has cited budgetary pressures preventing it from doing so.<sup>112</sup> The Scottish Government has said it already has the most generous concessionary bus travel scheme in the UK.<sup>113</sup> (See Question 3.6 and 3.9)

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<sup>106</sup> DfT Closed Consultation [Ending the sale of new, non-zero emission buses, coaches and minibuses](#) 26 March 2022

<sup>107</sup> TfGM [Get On Board with new low bus fares in Greater Manchester](#) [Accessed 3 January 2023]

<sup>108</sup> Greater Manchester Combined Authority, [GMCA Overview and Scrutiny Committee Minutes](#) (PDF), 24 August 2022

<sup>109</sup> DfT Policy paper, [Network North](#), 4 October 2023 p6

<sup>110</sup> PQ 2631 [[Bus Services: Finance](#)], answered 28 November 2023

<sup>111</sup> The Guardian [England's £2 bus fare cap may not save rural routes, campaigners fear](#) 1 January 2023

<sup>112</sup> Lee Waters MS, Deputy Minister for Climate Change, [Welsh Senedd Plenary, 23 May 2023](#), Para 30

<sup>113</sup> Fiona Hyslop, Minister for Transport, [Scottish Parliament General Question Time, 30 November 2023](#), Q6

## 3.5

## When might contactless and ‘through ticketing’ become a reality?

Using contactless technology to buy tickets, and ‘through ticketing’ – using the same ticket for multi-modal and/or multi-operator trips – have been seen as having the potential to encourage more passengers onto public transport. A 2019 survey conducted by Transport for the North (TfN) found that 56% of passengers would use public transport more if there was one ticket that could be used across all modes of public transport. TfN have argued that “contactless payments, flexible ticketing, and personalised, digital travel information are what passengers in the 21st century want and expect from their local transport systems”.<sup>114</sup>

Local authorities already have the power to make joint and through ticketing schemes in their area, or in conjunction with other local authority areas.<sup>115</sup> The Government’s 2021 [National Bus Strategy](#) stipulated that local authorities’ Bus Service Improvement Plans should set out how multi-operator tickets and price caps will be delivered, either through ‘enhanced partnerships’ with bus operators, or TfL-style franchising schemes:

Nowhere outside London has multi-modal daily and weekly price capping using contactless debit or credit cards, and only a few places have multi-operator daily price capping using contactless. We want partnerships and franchising agreements to change this. We expect to see all Bus Service Improvement Plans setting out how they will deliver no-fuss, multi-operator tickets and price caps on contactless credit and debit cards, at little or no premium to single operator fares. We will expect all operators to work with LTAs to deliver this.<sup>116</sup>

The strategy indicated that to ensure the industry “maintains the standard of 100% contactless” the Government will “consider making it a condition of bus service registration and Bus Service Operator Grant eligibility” (page 60). No timetable has been set to meet this ambition.<sup>117</sup>

Some areas have travelcard schemes in which bus operators participate, but these are not always easy to agree. Plans to introduce a smartcard scheme across the North of England fell through in January 2020. At that time, it was reported that bus operators were reluctant to sign up to the scheme, having already spent money on their own contactless technology, and wishing to keep control of their own systems to respond more quickly to changes in the industry.<sup>118</sup>

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<sup>114</sup> Transport for the North [Integrated and Smart Travel](#) [Accessed 3 January 2022]

<sup>115</sup> [Sections 7-8 of and Schedule 3 to the Bus Services Act 2017](#). See Commons Library briefing CBP-7545 [Bus Services Act 2017](#) for more information

<sup>116</sup> DfT [Bus Back Better: national bus strategy for England](#) 15 March 2021, p60

<sup>117</sup> DfT [Bus Back Better: national bus strategy for England](#) 15 March 2021, p60

<sup>118</sup> Yorkshire Post [Major element of North's London-style 'pay-as-you-go' smart ticketing scheme ditched as bus firms refuse to take part](#) 13 January 2023

Contactless ticketing was part of a 2022 investigation by the House of Lords Built Environment Committee into [Public transport in towns and cities](#). The Committee argued that zonal fare structures (as found already in London and other cities outside the UK) would make pay-as-you-go contactless payments easier to introduce:

A multimodal, multi-operator zonal ticketing system in each large town or city—where fares are set depending on the zones a passenger moves through—would make it considerably easier to deliver contactless ticketing. This would increase the attractiveness of public transport to passengers. The Government should provide an evaluation of the costs and benefits of implementing a multimodal zonal ticketing system for large towns and cities in England.<sup>119</sup>

## 3.6 Why is the bus pass for older people available for those aged 60 in Scotland and Wales, but not in England?

See the Commons Library briefing paper on [Concessionary Bus Travel \(July 2020\)](#) for more information

Travel concession policy is devolved in the UK and there are separate bus concession schemes in England, Wales, Scotland and Northern Ireland. Each jurisdiction decides its own eligibility age – in Scotland, Wales and NI this is currently 60.<sup>120</sup>

In England, eligibility for the England national concessionary travel scheme (ENCTS) is linked to the rising state pension age. [The Travel Concessions \(Eligibility\) \(England\) Order 2010 \(SI 2010/459\)](#) increased the qualifying age for the ENCTS in England in line with the planned rise in the women's state pension age (i.e. to age 65 by 2020). This later increased to 66, following an accelerated timescale for increases in the state pension age.

Eligible older people are defined in the legislation as follows:

- In the case of a woman, her pensionable age; and
- In the case of a man, the pensionable age of a woman born on the same day.<sup>121</sup>

In recent years both [Scotland](#) and [Wales](#) consulted on bringing their eligibility age into line with that in England: neither decided to do so.<sup>122</sup>

<sup>119</sup> House of Lords Built Environment Committee, [Public transport in towns and cities](#), 9 November 2022 HL Paper 89 2022-2023 [PDF]

<sup>120</sup> NI Direct [Free and concessionary bus and rail travel](#) [Accessed 5 January 2023]; Transport for Wales [Your Concessionary Travel Card](#) [Accessed 5 January 2023]; Transport Scotland [60+ or disabled](#) [Accessed 5 January 2023]

<sup>121</sup> [Regulation 2, The Travel Concessions \(Eligibility\)\(England\) Order 2010](#)

<sup>122</sup> Transport Scotland, [Concessionary travel consultation](#), 17 November 2017; BBC News, [Free bus pass age increase for over-60s in Wales axed](#), 20 December 2019

The costs associated with issuing passes at earlier ages are borne by the relevant administration – this also applies to those areas of England where people can receive a concession at the age of 60 (e.g. London).<sup>123</sup>

It is up to the local authority to look at what the cost of extending the bus pass to the over 60s is, as it may well be that there is simply no money available for this.

To give some idea of the costs involved, in 2020/21 there were [8.9 million older people and disabled passes](#) held across England and [English Travel Concession Authorities \(TCAs\) estimated they spent](#) around £1.07 billion on concessionary travel. This gives us an average figure for the cost of one bus pass as roughly £120.<sup>124</sup>

The [DfT has issued guidance](#) on how local authorities in England should implement the ENCTS.<sup>125</sup>

## 3.7 At what times can I use my concessionary bus pass?

In England, the statutory times where a concessionary bus pass can be used are between 0930 and 2300 on weekdays, and all day on weekends and bank holidays.<sup>126</sup> Some local authorities extend the times when people can use their bus passes at their own discretion, and they bear this cost.

The extension of the times available has been reduced in certain local authority areas due to funding issues. In October 2019 the Transport Select Committee published a piece of [comprehensive research by TAS Consultancy](#) on concessionary fare schemes. It shows those areas of the country that have extended the times at which bus pass holders can travel.<sup>127</sup>

## 3.8 How much would it cost to provide free bus travel to all young people in England?

The average cost of an older person's bus pass in England is roughly £120 (see section 4.5, above). According to the [ONS](#), there were 1.92 million young

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<sup>123</sup> London Councils [TFL 60+ London Oyster photocard](#) [Accessed 5 January 2023]

<sup>124</sup> DfT, [Concessionary Travel Statistics England 2020/21](#), November 2021

<sup>125</sup> DfT [Guidance for travel concession authorities on the England national concessionary travel scheme](#) 21 December 2010

<sup>126</sup> [Section 146, Transport Act 2000](#)

<sup>127</sup> TAS Partnership [Review of Reduced and Concessionary Fares in England outside London](#) October 2019 [PDF]

people aged 16-18 years old in England in 2021.<sup>128</sup> Multiplying this by the £120 figure per bus pass gives an estimate of the cost of extending concessionary travel to 16-18-year-olds of roughly £231 million per year. If this was extended to the 11.3 million young people aged 5-21 years old in England in 2021 it would cost roughly £1.36 billion per year.<sup>129</sup>

These figures should be understood as an order of magnitude estimate, rather than a precise and detailed calculation. Clearly, young people will have different patterns of travel and behaviour than older/disabled people, meaning that the number of journeys per pass may be very different.

Youth concessions are not statutory but may be offered at the discretion of the Travel Concession Authority (TCA) or on a commercial basis by bus operators.

In 2021/22, seventeen out of 83 TCAs in England already granted some form of [concessionary travel](#) to young people, although in some cases this will be to 16-17 year olds, or only those in full-time education. These schemes are funded entirely by the local councils who provide them.<sup>130</sup>

In 67 of the 83 TCAs in England, commercial youth concessions were offered by at least one of the bus operators in 2021/22.<sup>131</sup>

In October 2019 the Transport Select Committee published a piece of [comprehensive research by TAS Consultancy](#) on concessionary fare schemes. It describes in more detail the concessionary travel schemes provided for young people.<sup>132</sup>

## 3.9

### What concessionary bus travel schemes are available for young people in devolved administrations?

Scotland has the most generous concessionary bus travel scheme for young people. In Scotland, people aged between 5 and 21 are eligible for free bus travel, under the National Concessionary Bus Travel Scheme for Young Persons. This scheme began on 31 January 2021, following the passing of the National Bus Travel Concession Scheme for Young Persons (Scotland) Amendment Order 2021.<sup>133</sup> Transport Scotland has estimated the scheme will

<sup>128</sup> ONS, [Demography and migration data](#), Age by single year (Countries): TS007

<sup>129</sup> As above

<sup>130</sup> DfT, [Concessionary Travel](#), BUS0842

<sup>131</sup> As above

<sup>132</sup> TAS Consultancy, [Review of Reduced and Concessionary Fares in England outside London](#), October 2019

<sup>133</sup> [The National Bus Travel Concession Scheme for Young Persons \(Scotland\) Amendment Order 2021](#)

have a total annual cost of around £130 million.<sup>134</sup> More information can be found at the Transport Scotland page on [Young Persons' \(Under 22s\) Free Bus Travel](#).<sup>135</sup>

In Northern Ireland, people aged between 16 and 23 can get a 'yLink smartcard', entitling them to benefits including a third off Translink bus travel and NI rail travel, and up to 50% off train tickets on the Enterprise (Belfast-Dublin) route. More information can be found at the Translink page on the [yLink Smartcard](#).

In Wales, residents aged between 16 and 21 can apply for 'mytravelpass' through the Welsh Young Persons Discounted Travel (WYPDT).<sup>136</sup> In 2019, Audit Wales estimated the scheme cost the Welsh Government around £1million per year for the years 2017/18 and 2018/19.<sup>137</sup> More information can be found at the Welsh Government [MyTravelPass page](#).<sup>138</sup>

## 3.10

### What is Community Transport?

Community transport (CT) is a very broad term for local road passenger transport services delivered by charitable and other not-for-profit organisations, typically where there is no viable commercial market.

The Transport Committee held an inquiry into Community Transport in 2017. In their report they described CT's core work as:

- door-to-door transport, from relatively informal lift-giving by volunteer car drivers to more organised schemes such as Dial-a-Ride or Dial-a-Bus, for people with disabilities and mobility difficulties;
- minibus travel for defined groups of people, particularly the elderly or others who struggle to get out and about on their own, for example to take them on shopping trips; and
- community bus services, where there are no existing commercial routes, such as in remote rural areas.<sup>139</sup>

In Great Britain, the Transport Act 1985 legislated for a light touch licensing regime for these types of services compared to conventional, profit-making bus operations. [Section 18](#) of the 1985 Act, as amended, provides an

<sup>134</sup> [The National Bus Travel Concession Scheme for Young Persons \(Scotland\) Amendment Order 2021](#) Policy Note, Page 4

<sup>135</sup> Transport Scotland [Young Persons' \(Under 22s\) Free Bus Travel](#) [Accessed 13 January 2023]

<sup>136</sup> Welsh Government [Welsh Young Persons Discounted Travel \(WYPDT\) Scheme Terms and Conditions](#) [Accessed 13 January 2023]

<sup>137</sup> Audit Wales [Discounted bus travel for young people](#) 10 January 2019

<sup>138</sup> Welsh Government [MyTravelPass](#) [Accessed 13 January 2023]

<sup>139</sup> Transport Committee, [Community transport and the Department for Transport's proposed Consultation](#), 11 December 2017, HC 480 2017-19, P1 [PDF]

exemption from Public Service Vehicles (PSV) operator and driver licensing requirements for vehicles used under community transport permits.<sup>140</sup> There are two types of community transport permits – section 19 and section 22 permits:

- [Section 19](#) of the 1985 Act allows community-based organisations to operate small buses (9-16 passenger seats) and charge a fare without the need for PSV licensing, provided they run on a not-for-profit basis and carry restricted groups of passengers.<sup>141</sup>
- [Section 22](#) of the 1985 Act allows community-based groups to operate small buses which are available to the general public (9-16 passenger seats) and charge a fare without the need for PSV licensing, providing volunteer drivers are used and the operation is run on a not-for-profit basis.<sup>142</sup>

In Northern Ireland, there is a separate regime for bus regulation. There, ‘Section 10b’ permits are available to organisations “that provide passenger transport services on a non-profitmaking basis, for the benefit of the community.” Further [guidance is provided by the Department for Infrastructure](#).<sup>143</sup>

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<sup>140</sup> [Section 18, Transport Act 1985](#)

<sup>141</sup> The conditions relating to the driver and vehicle of a Section 19 permit service are given in the Section 19 Permit Regulations 2009 ([SI 2009/365](#)).

<sup>142</sup> The conditions relating to the driver and vehicle of a Section 22 permit service are given in the Community Bus Regulations 2009 ([SI 2009/366](#)).

<sup>143</sup> NI Department for Infrastructure [Guidance on 10B Bus Permits](#) 5 July 2021

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## 4 Taxis and private hire vehicles (PHVs)

### 4.1 What is the difference between a taxi and a private hire vehicle (PHV)?

Taxis are often referred to in legislation, regulation and common language as ‘hackney carriages’, ‘black cabs’ and ‘cabs’. The main distinction between taxis and private hire vehicles (PHVs) is that taxis can ‘ply for hire’ and be hailed by passengers on the street or at a taxi rank, but private hire vehicles cannot. Private hire vehicles include minicabs, executive cars, chauffeur services, limousines and some school and day centre transport services.<sup>144</sup>

It is a criminal offence to ply for hire without a taxi licence.<sup>145</sup> There is, however, no statutory definition of plying for hire, despite this activity being one of the distinguishing features of a taxi. It is broadly understood to mean the ability to hail a taxi on the street or at a rank, but defining what this entails legally is challenging, [as the Law Commission found](#) in its 2014 review. This has only become more complex with the [profusion of app-based services](#) like Uber that have dramatically altered the way customers engage with private hire services.<sup>146</sup>

Taxis and PHVs differ in other ways:

- Taxis charge fares based on a tariff set by the local licensing authority and are required to use a fare meter, while PHVs can charge their own fares;
- Councils can limit the number of taxis they licence, but not the number of PHVs; and
- Different licences are required to operate and drive each service and vehicle standards may also differ.

Licensing law is devolved across the UK:

- In England outside London under the [Town Police Clauses Act 1847](#) or that Act as amended by the [Local Government \(Miscellaneous Provisions\) Act 1976](#);

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<sup>144</sup> DfT Closed consultation [Taxi and private hire vehicle: best practice guidance to assist licensing authorities](#) 28 March 2022

<sup>145</sup> It is an offence under [Section 167 of the Criminal Justice and Public Order Act 1994](#)

<sup>146</sup> Law Commission [Taxi and Private Hire Services Report](#) 23 May 2014



- In London under the [Metropolitan Public Carriage Act 1869](#), the London Cab Order 1934 (SI 1934/1346) and the [Private Hire Vehicles \(London\) Act 1998](#);
- In Scotland under Part II of the [Civic Government \(Scotland\) Act 1982](#), as amended;
- In Wales under the 1847 and 1976 Acts (see England, above), the [Wales Act 2017](#) fully devolved to the Welsh Assembly the powers to legislate for taxi and PHV vehicle and driver licensing and PHV operator licensing; and
- In Northern Ireland under the [Taxis Act \(Northern Ireland\) 2008](#) and regulations made under it.

The mix of legislation covering the licensing of taxis and PHVs is widely considered to be out of date with successive reports, such as by the [Law Commission](#) (2014) and an independent [Task and Finish Group](#) (2018) calling for it to be overhauled and updated.<sup>147</sup>

## 4.2 How are taxis and PHV services regulated?

In Great Britain, taxi and PHV licenses are issued by local licensing authorities, which are usually local councils, with the exception of TfL in London.

In Northern Ireland taxi licences are issued centrally via the Department for Infrastructure and the Driver and Vehicle Agency.<sup>148</sup> In all parts of the UK, and for both taxis and PHVs, three licences are required: driver licences, operator licences, and vehicle licences.

According to the Local Government Association's [Councillor Handbook for Taxi and PHV Licensing](#), councils typically:

- set a local framework for the licensing of taxis and PHVs. This can cover fares, standards for drivers and vehicles and limits on the number of taxis that are allowed to operate;
- consider licence applications;
- issue, review and revoke licences;

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<sup>147</sup> Law Commission [Taxi and Private Hire Services Report](#) 23 May 2014; DfT Independent report [Taxi and private hire vehicle licensing: recommendations for a safer and more robust system](#) 28 September 2018

<sup>148</sup> Department for Infrastructure, [Taxi Policy and Legislation](#) [Accessed 5 January 2023], [Gov.uk: Taxi operator licence \(Northern Ireland\)](#) [Accessed 5 January 2023]

- carry out inspections and take enforcement action.<sup>149</sup>

Taxi licensing authorities in England and Wales are required to abide by [Statutory Taxi and Private Hire Vehicle Standards](#), which are primarily aimed at safeguarding children and vulnerable adult passengers.<sup>150</sup>

In England, the DfT has non-statutory [best practice guidance for licensing authorities](#), which was updated in November 2023.<sup>151</sup>

In Wales, licensing authorities and drivers should abide by the [conditions set out by the Welsh Government](#).<sup>152</sup>

In Scotland, central responsibility for taxis and PHV licensing lies with the Justice Directorate of the Scottish Government (having moved from Transport Scotland, who were previously responsible) who have their own [best practice guidance for licensing authorities](#).<sup>153</sup>

Under [section 70](#) of the Local Government (Miscellaneous Provisions) Act 1976 councils in England and Wales may charge fees to cover the costs of their regulatory activities.<sup>154</sup> However, councils are not allowed to use these fees to subsidise other forms of council activity, and are required to consult upon the fees they intend to levy through a public notice procedure.<sup>155</sup>

The Government [said in 2019 that there should be national minimum standards](#) for taxi and PHV licensing in England, and that it will take forward legislation to introduce such standard when parliamentary time allows,<sup>156</sup> a [commitment it repeated](#) in October 2022.<sup>157</sup>

## 4.3

### Can councils limit Private Hire Vehicle numbers?

No, not at the moment. Local authorities in England and Wales currently have the power to restrict the number of taxis<sup>158</sup> but not private hire vehicles licensed in their area. This power can only be exercised where it can be shown

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<sup>149</sup> Local Government Association [Councillor Handbook: Taxi and PHV Licensing](#) 20 July 2021

<sup>150</sup> DfT Statutory guidance [Statutory taxi and private hire vehicle standards](#) 25 November 2022

<sup>151</sup> DfT Guidance [Taxi and private hire vehicle licensing: best practice](#) 17 November 2023

<sup>152</sup> Welsh Government [Taxis and private hire vehicles](#) [Accessed 5 January 2023]

<sup>153</sup> Scottish Government, [Taxi and private hire car licensing: guidance - third edition](#), 31 May 2023

<sup>154</sup> [Section 70, Local Government \(Miscellaneous Provisions\) Act 1976](#)

<sup>155</sup> See Local Government Association [Open for business: LGA guidance on locally set licence fees](#) 13 June 2017

<sup>156</sup> DfT [Government Response to the report of the Task and Finish Group on taxi and private hire vehicle licensing](#), 12 February 2019, Para 2.4

<sup>157</sup> PQ 69709 [[Taxis: Visual Impairment](#)]; answered 31 October 2022

<sup>158</sup> Under [Section 37 of the Town Police Clauses Act 1847](#) (as amended)

that there is no significant unmet demand for taxis in the area. There is no power to limit the number of taxis or PHVs working in London.

Those who want to see local authorities given powers to restrict PHV numbers argue that the market, particularly in London, has been over-saturated and enables bigger operators to use their pricing to drive out smaller operators. However, taxi and PHV numbers have both declined across the UK since the onset of the Covid pandemic. Unless numbers recover, calls for a cap may be less urgent.<sup>159</sup>

There are other reasons why some have called for a cap. For example, in 2017 the All Party Parliamentary Group (APPG) on Taxis cited grounds of increased congestion and pollution in London. To address this, its [July 2017 report](#) called for TfL and the Mayor of London to have the power to cap PHV numbers (and for the same powers to be available to other mayors and Combined Authorities should they request it).<sup>160</sup> In contrast, the [Institute of Economic Affairs'](#) October 2016 report on the taxi industry argued that there “was never a sound justification” for quantity restrictions and that not only should there be no restrictions imposed on PHVs but that taxi caps should be abolished.<sup>161</sup>

## 4.4

### Can taxis and PHVs work outside of the areas they are licensed in?

Taxis can be pre-booked to work anywhere, but can only ply for hire in the area they are licensed. Taxis can therefore operate as PHVs outside the areas they are licenced in.

In England and Wales, PHVs can undertake journeys starting or ending anywhere. However the driver, vehicle, and operator must all be licensed in the same area – a ‘so-called triple licensing lock’.<sup>162</sup>

Since the introduction of the Deregulation Act 2015, PHV operators in England and Wales can also sub-contract bookings to other operators, within or outside their licensing area.<sup>163</sup> Again, the ‘triple lock’ still applies and the driver, vehicle, and operator receiving the sub-contracted booking must all be licensed in the same area. This new sub-contracting rule emerged from a Law Commission review of taxi regulation, and was intended to give taxi

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<sup>159</sup> DfT [National statistics Taxi and private hire vehicle statistics, England: 2022](#) 13 July 2022; Belfast Live [NI taxis: Bosses highlight further decline as 61 operators leave industry in two years](#) 9 December 2022; BBC News [The big challenges of having a night out in Scotland](#) 10 December 2022

<sup>160</sup> All-Party Parliamentary Group on Taxis [Lessons from London: The future of the UK taxi trade](#) 2017 [PDF]

<sup>161</sup> IEA Discussion Paper [Hire Authority: Turning statutory regulation into private regulation for the UK's taxi industry](#) October 2016, Page 9

<sup>162</sup> PQ 89883 [[Taxis: Licensing](#)], Answered 25 November 2022

<sup>163</sup> [Section 11, Deregulation Act 2015](#)

operators greater flexibility and more choice for passengers.<sup>164</sup> The practice of ‘cross-border’ working predates the introduction of the Deregulation Act 2015, although the [GMB Union have argued](#) [PDF] that the 2015 Act has made cross-border working more prevalent.<sup>165</sup>

In Scotland the law is stricter and it is an offence to undertake taxi or PHV journeys outside of the area in which a driver/vehicle is licenced.<sup>166</sup> There are certain exceptions to this. For example it is legal for a driver picking up a passenger outside of their area, if the driver is returning to their own area following completion of a journey on hire.<sup>167</sup>

## 4.5 What are the problems with “cross-border” working?

In England and Wales, “cross-border” working can give consumers greater choice, particularly where passengers have a preferred and/or trusted operator, help businesses to be efficient by reducing dead mileage and can be a good way of filling unmet demand, e.g. for wheelchair access vehicles which are often in short supply.<sup>168</sup> However, there are long standing concerns about “cross-border” working in some areas. Taxi and PHV drivers can obtain a licence from one authority (sometimes with lower costs and less onerous driver/vehicle standards) but work predominately in another area and compete with taxi/PHVs for work there.

In 2018 the Government-commissioned [Task and Finish Group on Taxi and Private Hiring Licensing](#) reported that many drivers now work mainly outside, and sometimes a considerable distance from, the authority they are licenced by. Cross-border working also makes the enforcement of standards much harder, as licensing authorities can only take action against vehicles, drivers and operators licenced in their area.<sup>169</sup>

The Task and Finish Group recommended that “Government should legislate that all taxi and PHV journeys should start and/or end within the area for which the driver, vehicle and operator are licensed.”<sup>170</sup> In the Government’s response, it did not fully accept this recommendation but said that introducing national minimum standards for taxi licencing “will go some way

<sup>164</sup> Law Commission, [Taxi and Private Hire Services](#), 23 May 2014, paras 7.69 – 7.79

<sup>165</sup> GMB Union, “[Balancing the Triple Lock with the Triple Intended Use Policy \(IUP\)](#)” [PDF], August 2020

<sup>166</sup> [Section 21, Civic Government \(Scotland\) Act 1982](#)

<sup>167</sup> Scottish Government, [Taxi and private hire car licensing: guidance - third edition](#), 31 May 2023, Para 3.9

<sup>168</sup> According to DfT statistics, only 2% of PHVs in England were wheelchair accessible in 2022. DfT [National statistics Taxi and private hire vehicle statistics, England: 2022](#) 13 July 2022

<sup>169</sup> DfT Independent report [Taxi and private hire vehicle licensing: recommendations for a safer and more robust system](#) 28 September 2018

<sup>170</sup> DfT [Government Response to the report of the Task and Finish Group on taxi and private hire vehicle licensing](#), 12 February 2019, Recommendation 11

towards resolving [this] problem”.<sup>171</sup> It said that it would take forward legislation to introduce such standards when parliamentary time allows,<sup>172</sup> a [commitment it repeated](#) in October 2022.<sup>173</sup>

Partly to address safety concerns about ‘cross-border’ drivers, the Taxi and Private Hire Vehicles (Safeguarding and Road Safety) Act 2022 was introduced to Parliament in 2021 and received Royal Assent on 31 March 2022. The 2022 Act requires licensing authorities in England to report safeguarding or road safety concerns about a taxi/PHV driver operating in its area to the authority who issued that driver’s licence.<sup>174</sup>

The licensing authority must then respond to say whether it has suspended or revoked the driver’s licence (or intends to suspend or revoke the licence). Any instances where the authority has refused, suspended, chosen not to renew or revoked a taxi or PHV driver’s licence based on safeguarding or road safety concerns must be recorded on a central database.<sup>175</sup>

## 4.6

### Why are so many taxi and PHV drivers licenced in Wolverhampton?

As is acknowledged in [2023 Government statistics on taxi/PHVs](#), Wolverhampton City Council has seen a notable rise in licences issued in recent years.<sup>176</sup>

The [council told the Express and Star in October 2023](#) that their popularity as a licensing authority can be traced to their early investment in their digital application process, which has made the process more efficient and cheaper than other authorities’. Due to ‘cross-border’ working being legal (see Question 4.4), drivers can be licenced by Wolverhampton and live and work elsewhere. The council maintain that they still adhere to high driver and vehicle standards:

The council has never actively encouraged applications from drivers outside the city, existing legislation requires that if an application is submitted and requirements are met, the application must be granted. The council may not refuse an applicant simply because they live in a different area.

Our early adoption of digital technology has allowed us to offer a simple and efficient online application procedure, with the requirement that drivers attend

<sup>171</sup> DfT [Government Response to the report of the Task and Finish Group on taxi and private hire vehicle licensing](#), 12 February 2019, Para 2.33

<sup>172</sup> DfT [Government Response to the report of the Task and Finish Group on taxi and private hire vehicle licensing](#), 12 February 2019, Para 2.4

<sup>173</sup> PQ 69709 [[Taxis: Visual Impairment](#)]; answered 31 October 2022

<sup>174</sup> [Taxi and Private Hire Vehicles \(Safeguarding and Road Safety\) Act 2022](#)

<sup>175</sup> [Taxi and Private Hire Vehicles \(Safeguarding and Road Safety\) Act 2022](#); DfT [Statutory guidance Taxi and Private Hire Vehicles \(Safeguarding and Road Safety\) Act 2022](#) 23 May 2022

<sup>176</sup> DfT [Taxi and private hire vehicle statistics, England: 2023](#), 11 July 2023

in person for training and strict assessment before an application can be processed.

Applicants are usually local to the area they drive in, but many have chosen to be licensed in Wolverhampton due to our efficient, yet rigorous, licensing process.

Public safety is of paramount importance to us. Partnership working with our Licensing colleagues and other agencies shows our commitment to upholding our responsibilities; we expect drivers and vehicles licensed by us to always maintain the highest standards.<sup>177</sup>

In March 2023 Wolverhampton Council’s taxi licensing team also noted a “huge increase in the number of drivers applying for licences during 2021/22”.<sup>178</sup> They also said that, because of legal restraints preventing them using ‘profit’ from taxi applications for non-licensing purposes,<sup>179</sup> they are reinvesting ‘profits’ into lowering their application fees.<sup>180</sup> This may make Wolverhampton an even more attractive place for drivers to get their taxi/PHV licence.

The GMB Union has noted that so many drivers being licenced by Wolverhampton City Council can be a problem because it can “starve” other licensing authorities of potential licensing funding, and make enforcement of Wolverhampton-licenced vehicles and drivers working in their areas difficult.<sup>181</sup>

## 4.7

## Do taxis and PHVs have to be accessible?

Information on this topic can be found in the Commons Library Briefing on [Access to transport for disabled people](#), especially Section 4 on Taxis.<sup>182</sup>

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<sup>177</sup> Express and Star last year, [Cabbies 'not bothered' Wolverhampton is capital of private hire licences after criticism from other cities](#), 11 October 2023

<sup>178</sup> Wolverhampton City Council Press Release, [Licence fees set to be reduced for taxi drivers](#), 21 March 2023

<sup>179</sup> [Section 70 of the Local Government \(Miscellaneous Provisions\) Act 1976](#)

<sup>180</sup> Wolverhampton City Council Press Release, [Licence fees set to be reduced for taxi drivers](#), 21 March 2023

<sup>181</sup> GMB Union, “[Balancing the Triple Lock with the Triple Intended Use Policy \(IUP\)](#)” [PDF], August 2020

<sup>182</sup> Commons Library Briefing SN-00601 [Access to transport for disabled people](#)

## 4.8

## What support is available for ‘green’ taxis?

In June 2022, it was announced that the Government would be closing its plug-in grant scheme for cars, to refocus funding towards electric charge-points, and to boosting the sale of other vehicles, including plug-in taxis.<sup>183</sup>

The Plug-in Taxi Grant (PiTG) applies a discount to new taxis depending on its range, emissions, and design. All taxi drivers and businesses buying or leasing a new purpose-built taxi can benefit if the vehicle is eligible, although they do not need to apply for this directly as manufacturers should apply it to their taxi models that are approved for the grant. The PiTG is split into two categories:

- Category 1 PiTG (up to £7,500) – zero emissions range of 70 miles or more and emissions less than 50gCO<sub>2</sub>/km
- Category 2 PiTG (up to £3,000) – zero emissions range of 10-69 miles and emissions less than 50gCO<sub>2</sub>/km<sup>184</sup>

On 1 January 2018 TfL introduced new licensing requirements to help increase the number of zero emissions taxis operating in London. Since this date, taxis presented for licensing for the first time have needed to be zero emissions capable (ZEC), which means having CO<sub>2</sub> emissions of no more than 50g/km and a minimum 30-mile zero emission range. In addition, licences are no longer issued to diesel taxis and ZEC taxis with petrol engines must meet the latest emissions standard (Euro 6).<sup>185</sup>

A number of local and combined authorities have also put in place or plan to put in place conditions for zero emissions taxis into licensing requirements. For example, new licences in Greater Manchester Combined Authority from 2025 will only be granted to ZEC taxis and Birmingham City Council will require all new vehicles to be ultra-low emission vehicle compliant with at least a 70-mile no emissions range.<sup>186</sup>

Research conducted by the Connected Places Catapult and Urban Transport Group revealed that local authorities face challenges in introducing mandatory cut-offs after which only zero emissions vehicles will be licensed. These challenges include the comparatively high price point of zero emissions vehicles, a lack of availability of wheelchair accessible zero emissions vehicles, and the problem of ‘cross-border’ taxis – i.e. if one authority

<sup>183</sup> DfT Press Release [Plug-in grant for cars to end as focus moves to improving electric vehicle charging](#) 14 June 2022

<sup>184</sup> DfT Guidance [Plug-in taxi grant: eligibility and applications](#) 30 June 2022

<sup>185</sup> TfL [Emissions standards for taxis](#) (accessed 11 January 2023)

<sup>186</sup> Energy Saving Trust [A step-by-step guide for local authorities on transitioning the taxi trade to electric vehicles](#) [PDF] May 2022

introduces a zero-emission vehicle requirement, drivers could simply choose to be licenced in a neighbouring authority.<sup>187</sup>

A number of cities have brought in clean air zones or low/ultra-low emissions zones, and each has different rules on charges applied to taxis. For the currently operating clean air zones in Bath, Birmingham, Bradford, Bristol and Portsmouth, taxis that are Euro standard 1-5 for diesel and 1-3 for petrol are required to pay a daily charge.<sup>188</sup> For London's ultra-low emissions zone (ULEZ), taxis are exempt from paying the daily charge, although older, more polluting taxis are subject to a 12-year age limit.<sup>189</sup>

Taxis and PHVs will also be affected by the Government's decision to ban the sale of new petrol and diesel cars in the UK by 2030 and all new non-zero emissions cars and vans from 2035.<sup>190</sup> DfT provided further guidance on the transition to zero emissions cars and vans with its delivery plan in July 2021.<sup>191</sup>

## 4.9 Are minibuses regulated in the same way as taxis?

No. If a vehicle is designed or adapted to carry nine or more passengers, and does so for 'hire or reward' (i.e. carrying passenger on a commercial basis), it is known as a 'public service vehicle' (PSV) or 'minibus'. These are licenced separately from taxis or private hire vehicles (PHV). The main difference being that local authorities are not involved in licencing them.

To drive a PSV for profit, a driver must have both a:

- passenger carrying vehicle (PCV) licence, and a
- public service vehicle (PSV) operator licence<sup>192</sup>

PCV driver licences are issued by the DVLA on behalf of Traffic Commissioners. PSV Operator licences are issued by the Vehicle and Operator Services Agency (VOSA), also on behalf of Traffic Commissioners.<sup>193</sup>

Unlike taxi/PHV drivers, applicants for a PCV licence are not subject to any routine DBS checks. Applicants for a licence to drive passenger minibuses and buses must complete an application form and declare any convictions for

<sup>187</sup> Connected Places Catapult and Urban Transport Group [Decarbonising urban vehicles: Challenges and opportunities for city region public authorities](#) 13 July 2022, Page 25

<sup>188</sup> The Taxi Insurer [Where are the UK's new clean air zones?](#) (accessed 11 January 2023)

<sup>189</sup> TfL [Discounts and Exemptions](#) (accessed 11 January 2023)

<sup>190</sup> DfT [Government takes historic step towards net-zero with end of sale of new petrol and diesel cars by 2030](#) 18 November 2020

<sup>191</sup> DfT Guidance [Transitioning to zero emission cars and vans: 2035 delivery plan](#) 14 July 2021

<sup>192</sup> DVLA [Driving a minibus](#) [Accessed 5 January 2023]

<sup>193</sup> Traffic Commissioners for Great Britain [Guidance: Public service vehicle \(PSV\) operator licensing guide](#), 24 April 2013; See Question 2.4 on the role of Traffic Commissioners



non-driving offences as well as those relating to driving hours, roadworthiness etc.<sup>194</sup>

This has been a source of some controversy due to concerns that some drivers might have their taxi/PHV licence revoked by a local authority, but then obtain a PCV licence from the DVLA and continue to carry passengers. One recommendation of the 2018 independent [Task and Finish Group](#), commissioned by the DfT, was for Government to “review the assessment process of passenger carrying vehicle (PCV) licensed drivers and/or consider the appropriate licensing boundary between taxis/PHVs and public service vehicles (PSVs)”.<sup>195</sup>

The Government responded by saying that “licencing authorities should use their existing powers to include as a condition of a PHV operator's licence that bookings received by that licence-holder must be fulfilled using a PHV licensed driver and vehicle.”<sup>196</sup>

## 4.10

### Who should I contact if I want to complain about a taxi or private hire service?

In the first instance complaints about taxi and/or PHV services should be made to the relevant licensing authority. Outside London, the licensing authority will usually be the local district or unitary council. Inside London it will be Transport for London. In Northern Ireland it will be the Passenger Transport Licensing Division at the Driver and Vehicle Agency (DVA).<sup>197</sup>

The complaints procedures councils use often have more than one stage. Complainants may need to progress through each stage before their complaint can be escalated to the [Local Government and Social Care Ombudsman \(LGSCO\)](#).

The LGSCO investigate complaints about taxis and PHVs. People can complain to the LGSCO if they are unhappy with the outcome of the licensing authority's investigation or the authority is taking too long, over 12 weeks, to investigate the matter. The LGO's investigations focus on whether councils have done

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<sup>194</sup> DfT Independent Report [Task and Finish Group Taxi and Private Hire Vehicle Licensing: Steps towards a safer and more robust system](#), 28 September 2018, para 4.27

<sup>195</sup> DfT Independent Report [Task and Finish Group Taxi and Private Hire Vehicle Licensing: Steps towards a safer and more robust system](#), 28 September 2018, Recommendation 27

<sup>196</sup> DfT [Government Response to the report of the Task and Finish Group on taxi and private hire vehicle licensing](#), 12 February 2019, Para 3.37

<sup>197</sup> NI Direct [Making a complaint about a taxi service](#) [Accessed 5 January 2022]

something wrong in the way a complaint has been investigated. The LGO cannot overrule decisions if councils have followed the correct procedures.<sup>198</sup>

The LGO also investigate complaints about the way councils have dealt with fare increases, licence fees and the handling of licencing applications.

However, complaints from drivers and operators about licence conditions, such as licensing authority decisions to refuse, impose conditions on or revoke a licence, must be made to a magistrates' court.<sup>199</sup>

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<sup>198</sup> Local Government and Social Care Ombudsman (LGSCO) [Taxi and private hire vehicle licensing](#) [Accessed 5 January 2022]

<sup>199</sup> Local Government and Social Care Ombudsman (LGSCO) [Taxi and private hire vehicle licensing](#) [Accessed 5 January 2022]

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