

## **DEREGULATION ACT 2015**

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### **EXPLANATORY NOTES**

#### **COMMENTARY ON SECTIONS**

##### ***Section 11: Private hire vehicles: sub-contracting***

59. This section inserts two new sections (55A and 55B) into the Local Government (Miscellaneous Provisions) Act 1976 in relation to the sub-contracting of bookings from one private hire vehicle operator to another. It applies in England and Wales, but not in London or in Plymouth where different legislation applies.
60. In the new section 55A, subsection (1) allows an operator who accepts a booking for a private hire vehicle to sub-contract it to four types of operator - (a) an operator licensed and located in the same district as the initial operator; (b) an operator licensed and located in a different district from the initial operator (a different district but one which is still governed by the same legislation – in practice this means a district in England or Wales but outside London or Plymouth); (c) an operator licensed and located in London; or (d) a person located in Scotland. Scenario (a) constitutes a re-statement of existing law – it is already lawful for a private hire vehicle operator to sub-contract a booking to another operator licensed in the same licensing district. Scenario (a) has been included because it is not currently expressly stated on the face of the Act and stating all four scenarios where an operator can sub-contract a booking in this amendment makes the law clearer and easier to follow.
61. Subsection (2) of new section 55A clarifies that the new provision affects the legal position in respect of PHV operation under the 1976 Act; it is immaterial if the agreement between the passenger making the booking and the initial operator permits sub-contracting.
62. The purpose of subsections (3), (4) and (5) of new section 55A is to cover the scenario of a private hire vehicle operator who is licensed under section 55 of the 1976 but also holds a private hire vehicle operator licence in a different district or operates in a different area. This could happen where, for example, a company operates in a number of different areas.
63. Subsection (3) covers the scenario where an operator holds licences under section 55 of the 1976 Act for more than one licensing district. Subsection (4) covers the scenario where an operator holds a licence under section 55 of the 1976 Act and also holds a private hire vehicle operator licence issued by Transport for London in respect of London. Subsection (5) covers the scenario where an operator holds a licence under section 55 of the 1976 Act and also operates private hire cars or taxis in Scotland. Together, these subsections clarify that operators may sub-contract bookings effectively to themselves in the other districts or areas in exactly the same way that an operator can sub-contract to different operators by virtue of subsection (1).
64. Subsection (6) provides that the terms “London PHV operator” and “operating centre” mean exactly the same as when they are used in the legislation which regulates private hire vehicles in London.

*These notes refer to the Deregulation Act 2015 (c.20)  
which received Royal Assent on 26 March 2015*

65. The new section 55B deals with operator liability in connection with sub-contracting. Subsection (1) simply draws a distinction between the operator who accepts the original booking and the operator who accepts the sub-contract (labelling them the first operator and the second operator respectively).
66. Subsection (2) of new section 55B establishes that an initial operator who sub-contracts a booking to an operator based in a different district or area in accordance with section 55A(1) does not breach the requirement in section 46(1)(e) of the 1976 Act (the requirement being that the driver and vehicle used to fulfil the booking must be licensed by the same licensing authority as granted the operator's licence).
67. Subsection (3) applies to an operator licensed under section 55 of the 1976 Act who sub-contracts to an operator also licensed under section 55 of the 1976 Act (whether in the same or a different district). The subsection introduces criminal liability for the first operator if the second operator breaches the requirement in section 46(1)(e) in relation to the booking and the first operator knew the second operator would do so (i.e. knew the second operator would use a driver or vehicle that was not licensed in the same district as the second operator).
68. The section forms part of the law of England and Wales. It applies in England and Wales except in London or Plymouth where different legislation applies (although it does permit the sub-contracting of bookings to London operators).
69. The section comes into force on a day to be appointed by the Secretary of State in a commencement order.