

Greater Manchester Combined Authority

Date: Friday 28th November 2025

Subject: GM Taxi Review: Trade Engagement and Licensing Model

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport
and Sara Todd, Chief Executive Trafford Council & GM Taxi Lead

Purpose of Report

This report presents the outcomes of an independent review and engagement with the taxi trade; includes an update on the Department for Transport's response to the Casey Audit recommendations; and describes a new proposed clause in the English Devolution and Community Empowerment Bill to resolve issues with out-of-area taxis.

Note: in this report, if referring to a specific vehicle type, "hackney carriage" or "private hire vehicle" will be used. If referring to this form of public transport generally, "taxi" will be used.

Recommendations:

GMCA are requested to:

1. Note the key findings of the Greater Manchester Taxi review;
2. Note that the findings of the Greater Manchester Taxi review will be used to inform a GM response to a future government consultation on taxi powers;
3. Note that the need remains for an appropriate legislative framework to address out-of-area licensing concerns;
4. Note the proposed clause to amend the English Devolution and Community Empowerment Bill to limit out-of-area working;
5. Endorse the exploration of a potential GM taxi licensing model to ensure that, if legislative reform occurs, the impacts and implications of this approach are thoroughly understood;
6. Recommend GM Authorities continue to actively review policy standards and processes to deliver improvements where possible;

7. Endorse the establishment of a taxi industry working group, led by the Transport Commissioner, to support alignment with the Bee Network and, publish summaries of key discussions to keep the trade informed; and
8. Endorse exploration of a fund to assist private hire vehicle owners in upgrading their vehicles to meet emission standards during the 2026/27 GMCA Budget setting process.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		An Equality Impact analysis indicates that older, male, ethnic minority, and low-income private hire vehicle owners may experience negative impacts in having to meet the revised emission standards and may have affordability challenges in upgrading their vehicle.
Health		Greater Manchester wants authority to ensure trips within GM use locally licensed operators and vehicles, aiming to strengthen community ties and enforcement. This would provide residents and visitors with greater assurance regarding the safety of their journeys.
Resilience and Adaptation		
Housing		
Economy		
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		

Risk Management

The report highlights uncertainties arising from new legislation and insufficient stakeholder engagement. These are important considerations for the Greater Manchester authorities as they proceed with the next steps outlined in the report.

Legal Considerations

The report highlights the need for an appropriate legislative framework to address out-of-area licensing concerns. Current legislation allow private hire vehicles to operate outside the area where they are licensed, which undermines local enforcement and standards.

Financial Consequences – Revenue

None at this stage; next steps will be completed as part of business-as-usual activity.

Financial Consequences – Capital

Hackney Support development and delivery costs covered by central government as part of GM Clean Air Plan. PHV Financial Support to be considered during the 2026/27 GMCA Budget setting process

Number of attachments to the report: 1

Background Papers

31 July 2025, report to AQAC: GM Clean Air Plan – July 2025 Update

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

N/A

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Background and Context

- 1.1. This report aligns to the Greater Manchester Strategy workstream “a transport system for a global city region”.
- 1.2. Taxis play a crucial role in Greater Manchester’s transport offer. They provide people with the flexibility of door-to-door transport on-demand, without needing to use or own their own vehicle. They offer vital support for Greater Manchester’s visitor and night-time economies by offering safe, door-to-door travel, particularly at times or to locations that are less well-served by public transport. The Greater Manchester Travel Diary Surveys (TRADS) show that, in 2024, GM residents made c.120,000 trips per day by taxi, i.e. c.44m each year.
- 1.3. Two kinds of ‘taxi’ operate in England and Wales: hackney carriages (often referred to as a ‘black cab’) and private hire vehicles (PHVs). Unlike hackneys, PHVs cannot ply for trade and must be booked in advance. Private hire services require operator, driver and vehicle licences, issued by the same licensing authority. A plate or disc is affixed to each licensed vehicle, indicating the licensing authority. Hackney Carriages are often purpose-built fully accessible vehicles, providing a key service to those with additional needs, particularly at transport interchanges¹.
- 1.4. In Greater Manchester, the ten local authorities are each licensing authorities for their areas. While there is some commonality between Greater Manchester authorities’ licensing standards and conditions, each district has its own specific requirements, processes and resources.
- 1.5. While hackneys can only ply for hire within the local authority with which they are licensed, current licensing legislation means that private hire – driver, vehicle and operator – are not required to obtain a licence from the local authority where they operate, severing the link between drivers and the people and places they serve. This undermines efforts to strengthen local taxi licensing standards, uphold safeguarding and pay regard to unique local requirements within licensing regimes.
- 1.6. This ability to operate ‘out of area’ has created a fragmented system where drivers may ‘shop around’ for licences. As a result, drivers and vehicles licensed by authorities outside Greater Manchester operate freely within the city region,

¹ Dependant on policy of each Local Authority

undermining local enforcement and accountability, and deepening the variance in standards that the travelling public see and experience.

- 1.7. Department for Transport figures show that more than 11% of England's private hire vehicles are licensed by one local authority, City of Wolverhampton Council, up from below 0.5% less than a decade ago. Our current estimate is that 49% of PHVs operating in Greater Manchester are now licensed by authorities outside of its ten councils. The number of 'out of area' (OOA) PHVs has risen sharply from just under 7,000 in 2023 to over 12,000 today. These licence holders live within Greater Manchester but choose to license elsewhere.
- 1.8. The increasing number of PHVs can impact the transport network, particularly in town centres and during large events where congestion may affect safety and delay movement. Existing legislation does not allow authorities to cap the quantity of private hire licences and even if PHVs were required to license locally, vehicle numbers may still increase due to the business models of Private Hire Operators.
- 1.9. The GMCA has consistently pushed for reform to address this regulatory incoherence and enable locally responsive licensing standards. The 'Backing our taxis: Local. Licensed. Trusted' Campaign, launched at a roundtable with the taxi trade in April 2025, calling for the government to introduce new powers to Mayoral Combined Authorities for granting licenses and enforcing conditions to address out of area licensing.
- 1.10. The English Devolution White Paper (December 2024) acknowledged this challenge and committed to consulting on whether Strategic Authorities should assume responsibility for taxi licensing, stating:

We will consult on whether Strategic Authorities should be responsible for taxi and private hire vehicle licensing, to address concerns about cross-border operations and enforcement.
- 1.11. This proposal would reduce the number of licensing authorities from 263 to 76, and, in the Department for Transport's view, support economies of scale and improved and more consistent decision-making processes, with Strategic Authorities being better positioned to address out-of-area licensing issues and adopt a more collaborative approach.

- 1.12. More recently, Baroness Casey published her National Audit on Group-based Child Sexual Exploitation and Abuse² in July 2025. The Government has accepted all of the report's recommendations, including that:

The Department for Transport should take immediate action to put a stop to 'out of area taxis' and bring in more rigorous statutory standards for local authority licensing and regulation of taxi drivers.

- 1.13. Despite the commitment in the white paper, the English Devolution and Community Empowerment Bill as introduced by the Government contained no provisions relating to taxi licensing powers. Given the urgency of this issue, Greater Manchester is now proposing that the Bill should include a new clause.
- 1.14. The April roundtable also saw Greater Manchester leaders recognise the importance of financial support for the licensed trade and reiterated their commitment to ensuring that those registered locally have access to financial assistance, thereby upholding local standards and mitigating the impact of competition from out-of-area licensees. In July the GM Air Quality Administration Committee agreed to establish and distribute the £8 million Hackney Support Funding, provided by government to support the hackney carriage fleet move to cleaner vehicles. It is anticipated that this fund will open by end November. The proposal to provide financial assistance to help private hire vehicle owners is outlined later in this report.
- 1.15. Leaders endorsed maintaining consistent emission standards across GM Authorities and endorsed extending the emission compliance date to 31 December 2026, with an exemption applied to permit vehicles already licensed to remain on fleet until the maximum age limit of the relevant licensing authority (or, for those without an age policy, until 31 August 2030). All Authorities have now adopted this revised position.
- 1.16. Leaders also endorsed a review into how GM can realise its vision for taxis in the existing framework / without legislative change.
- 1.17. In addition, Automated Passenger Services, or "driverless taxis", are on the horizon³ and are set to reshape the landscape of the taxi and PHV sectors. One of the most

² [National Audit on Group-based Child Sexual Exploitation and Abuse](#)

³ [Driverless taxis from Waymo will be on London's roads next year, US firm announces | Waymo | The Guardian](#)

significant implications of the widespread adoption of autonomous vehicles will be the potential for transition away from human drivers. This development raises pressing social and economic questions, including how to support affected workers and adapt licensing and regulatory frameworks to address new risks and responsibilities associated with autonomous vehicles. Government made a recent call for evidence on permitting Automated Passenger Services⁴ and the Transport Select Committee also sought evidence about the implications for taxi and PHV licensing of the future rollout of autonomous vehicles in their current inquiry⁵.

1.18. The ‘Backing Our Taxis’ campaign also advocated for extending financial support for vehicle upgrades to include:

- Extending the VAT exemption afforded to adapted motor vehicles for people with disabilities to new wheelchair accessible taxis.
- Extending the national Plug-In Taxi Grant until at least March 2027 at its current level of £4,000.
- Reducing the rate of VAT on public EV charging to 5% in line with domestic charging VAT rates.

1.19. The above asks were included in the GMCA’s written submission into the Budget process on 15 October. The Chancellor’s Budget takes place on 26 November.

2. Independent Review and Engagement Findings

- 2.1. A high-level, independent review and engagement exercise to determine the best approach for taxi licensing in the existing framework / without legislative change has been conducted by ARUP/AECOM⁶. The review included input from trade bodies, individual licence holders, local authority officers from all GM districts as well as selected non-GM authorities, and relevant GM Members.
- 2.2. The scope of this review did not encompass the development of new standards, as Greater Manchester has already developed Minimum Licensing Standards (MLS), but rather focussed on the implementation of these standards, particularly where private hire drivers are not choosing to licence within the city-region. The

⁴ [Automated passenger services \(APS\) permitting scheme consultation - GOV.UK](#)

⁵ [Licensing of taxis and private hire vehicles - Committees - UK Parliament](#)

⁶ Arup, a professional services firm, and AECOM, an infrastructure consulting firm, have partnered to carry out this review and engagement exercise.

engagement exercise involved better understanding the needs and challenges faced by those in the taxi trade and to explore reasons why some drivers choose not to licence within the city-region. Insights from this process were used to ensure that the review reflects real-world experiences to determine the most appropriate approach for taxi licensing within the existing framework, without legislative change.

- 2.3. Thorough administration of GM Authority taxi licenses should provide the public with reassurance that they are choosing a professional and safe service. It is also important that the GM based licence application process is efficient and cost effective for the trade. However, balancing these two often competing priorities can be very challenging for licensing authorities. The review provides GM authorities with trade feedback and benchmarking data, to help evaluate and achieve this balance.
- 2.4. The engagement included a survey targeting licensees, which garnered 5,241 responses.
 - 4,202 of these responses were from GM licensees, a 28% response rate based on total number of GM licensees.
 - 1,039 were from non-GM licensees. Most of these were licensed in Wolverhampton.
- 2.5. Interviews were conducted with members and officers responsible for taxi licensing across all 10 GM local authorities. Additional interviews involved local authority officers in charge of taxi licensing from five authorities outside GM - Leeds City Council, Liverpool City Council, Sefton Metropolitan Borough Council, City of Wolverhampton Council, and Transport for London. Seven focus groups were held within the taxi industry. The work was further supported by a comprehensive benchmarking exercise⁷ that examined licensing standards, fees, and procedures.
- 2.6. The study, attached at Appendix One, found that:
 - Most GM PHV licensees state that they chose to license in Greater Manchester because it is where they live (74% survey response) and want to work (66%).

⁷ Benchmarking was undertaken with the 10 GM Authorities and Leeds City Council, Liverpool City Council, Sefton Metropolitan Borough Council, City of Wolverhampton Council, and Transport for London

- Non-GM licensees stated they chose other areas due to: faster licensing (54%), lower cost (51%), better support/training (36%), and easier access to vehicle test centres (29%).
- Vehicle and driver standards examined are broadly similar across all 15 benchmarked local authorities (10 GM + 5 non-GM).⁸
- Enforcement rates examined show no major differences between GM and non-GM areas.⁹
- GM Members and Officers interviewed agreed national legislative change is needed to address out-of-area licensing.
- Regional collaboration could help strengthen the licensing system across the city-region.
- Members raised concerns about the decline in Wheelchair Accessible Vehicles and its impact on disabled passengers.
- Differing views between councils and trade stakeholders present challenges to a unified licensing approach.

2.7. The report concludes that, through the findings of the review, GM local authorities now have an opportunity to consider the future of their taxi licensing model with the potential for better outcomes for the trade, licensing authorities and the public.

2.8. While differences in perspective between trade and licensing bodies remain (and are possibly to be expected within any regulatory regime), there was a clear appetite for improvement and there is now much for the GM local authorities to consider. With top-down change set to come to the sector, as the findings of the Casey Audit are expected to be implemented nationally, GM is in a prime position to lead the way and establish a model that others may follow.

2.9. In the immediate term, the recommendations of the Casey Audit, if implemented, are likely to mean more stringent practices for all local authorities; and addressing

⁸ Key differences included:

- GM LAs often mandate more frequent vehicle tests, even for newer cars.
- Vehicle tests in GM LAs are usually required at in-house facilities, while non-GM LAs accept tests from approved local garages or standard MOTs.
- Most GM LAs require PHV drivers to pass a geographical knowledge test; Wolverhampton does not.

⁹ The survey data did not explicitly identify standards by name as a primary factor influencing individuals to licence with non-GM local authorities.

OOA working may lead to more applications for GM local authorities, putting varying degrees of strain on local authority resources. GM local authorities should consider if any further improvements can be made to their application processes and systems to make it faster and more transparent, consider improved communications, and increase the number of approved test centres to increase capacity and choice.

- 2.10. The report notes that elevating licensing powers to a city-region level would establish a unified standard, enable a region-wide system, and could serve as a preliminary step in managing the loss of private hire vehicles to other non-GM authorities ahead of any legislative changes.
- 2.11. The review does not recommend that Greater Manchester lower safety standards to attract more licence applicants. However, if Greater Manchester want to encourage the taxi trade to license with its ten local authorities, it should consider specific measures.
- 2.12. At a minimum, the report recommends prioritising efforts to alleviate the burden of perceived bureaucratic obstacles by reconciling differing perspectives between industry stakeholders and local authorities. Additionally, enhancing transparency around processing times and clarifying public safety requirements that underpin licensing standards would be beneficial. Implementing these improvements would deliver immediate value independent of the wider operational model adopted.
- 2.13. Recommendations also include increasing the availability of test centres, as well as enhancing both the technology underpinning the application journey and support offered by staff throughout the application. It was noted that a common application process and a network of testing facilities would make the transition DfT are advocating easier.
- 2.14. The report notes that achieving these improvements will require investment and commitment from all parties. Implementing changes at the city-region level may present several challenges, but acknowledging these difficulties is necessary to deliver greater consistency of standards and ensure the 'taxis' Greater Manchester licence offer a safe, accessible, reliable and high-quality experience for everyone.
- 2.15. The report presents three options for consideration by GM in determining its preferred strategic direction.
 - Enhancing regional collaboration through a GM model;

- A unified administrative model; or
- Maintaining existing arrangements.

2.16. All three operational options have pros and cons, and these are listed before each detailed set of recommendations.

3. GM Authorities Response to the Review and Engagement Findings

- 3.1. Officers from the 10 GM Authorities have reviewed the report and have made the following observations. There is broad agreement that:
- 3.2. Whilst significant review and changes to policy and process have already taken place over the past 5 years, there is an opportunity to further review these to identify efficiencies and improvements that may assist in retaining more licensees, noting that without resolving OOA, GM continues to operate within a competitive market environment. Achieving additional efficiencies and securing further investment within individual authorities is increasingly difficult in the current economic climate. Any improvements achieved are likely to be limited and are unlikely to lead to any meaningful reductions in fees, as licensing is a cost-recovery service.
- 3.3. Implementing Minimum Licensing Standards (MLS) within the current framework has presented considerable challenges. Nevertheless, Authorities are committed to upholding standards designed to ensure public safety and is unwilling to sacrifice these necessary safeguards in pursuit of competitiveness in the licensing market.
- 3.4. Consistency in processes, reduction in costs, and improving processing times is recognised as important to the trade; however, the speed and efficiency of these procedures is influenced by the thoroughness of the application process, and related document verification checks. While more comprehensive checks may extend processing times, they are vital for ensuring public safety.
- 3.5. In terms of enforcement, whilst the 'high level look' in the review did not show any significant difference between GM and non-GM authorities for vehicle related enforcement there are much higher rates of driver related enforcement within GM. It is important to note however that these comparisons may be unreliable without further examination of due process and quality checks which are key components of decision making and enforcement regimes. Apparent disparities in enforcement

outcomes could result from inconsistencies in procedures or record-keeping, rather than actual enforcement rigour.

- 3.6. In terms of concerns raised about vehicle testing, GM authorities believe direct oversight protects public safety. Expanding in-house testing facilities would require major investment, increasing licensees' costs. GM authorities agree they need to conduct a review of their vehicle testing policies to look to offer more choice to the trade whilst ensuring effective safety oversight is maintained.
- 3.7. GM should enhance transparency with industry stakeholders and proactively address public perceptions by improving communication. Additionally, it is important to clarify that taxi and PHV licensing primarily serves to protect the public and ensure safety standards.
- 3.8. Officers noted that none of the recommendations or the three operational options will resolve out-of-area issues, and there remains an ongoing need for an appropriate legislative framework to address out-of-area licensing concerns.
- 3.9. Given the government's intention to consult on devolving powers to upper tier authorities, it would be prudent to examine the potential of a GM model and understand the impacts and implications of this approach.

4. PHV Financial Support

- 4.1. As of June 2025, 1,304 private hire vehicles (10%) licensed by GM Authorities are non-compliant.
- 4.2. Through the Taxi engagement views were sought from PHV Owners on the proposal to offer financial assistance. The options considered were:
 - A £1,000 grant per non-compliant vehicle, which would not need to be repaid
 - A £5,000 interest-free loan, repayable over a period of 5 years
- 4.3. Almost half (47%) of the 249 responses chose the £5,000, interest-free loan option with nearly a fifth (19%) choosing the £1,000 grant payment.
- 4.4. Interviews and Focus Group were also held. From the trade there was widespread dissatisfaction with the reduction and delay of PHV funding, although some questioned its necessity because of high compliance.
- 4.5. An Equality Impact analysis indicates that older, male, ethnic minority, and low-income vehicle owners may experience negative impacts in having to meet the

revised emission standards and may have affordability challenges in upgrading their vehicle.

- 4.6. It is recommended that the GMCA consider establishing a fund to assist private hire vehicle owners in upgrading their vehicles to meet emission standards during the 2026/27 GMCA Budget setting process. If included in the 2026/27 Budget plans, loans could be available by the end of May 2026.

5. English Devolution and Community Empowerment Bill

- 5.1. The English Devolution and Community Empowerment Bill is proposed legislation aimed at transferring greater powers and decision-making authority from central government to local regions in England. Its purpose is to enable local councils, communities, and combined authorities to take more control over issues such as transport, housing, health, and economic development.
- 5.2. GM proposed that the English Devolution and Community Empowerment Bill should include a new clause to provide an optional “licence where you operate” model, by giving strategic authorities power to require that journeys that start and end within their strategic authority area are fulfilled by locally licensed operators. Operators would be required to ensure that these bookings were fulfilled using drivers and vehicles licensed in the relevant strategic authority area. By focussing on journeys that start and end within a strategic authority area, cross border journeys with a start or end outside that area would be unaffected. A transition period would be required to allow re-licensing to happen reflecting the new requirements.
- 5.3. This devolved power is consistent with the subject matter of the Bill. It would allow the restoration of the connection between drivers and the communities and locations they serve on a regional level, without impacting on the national licensing framework.
- 5.4. The clause (New Clause 64 or ‘NC64’) was published on the amendment paper¹⁰ for the Committee Stage of the Bill
- 5.5. The Bill has completed the Committee Stage in the House of Commons without the proposed new clause (‘NC64’) being considered. The next stage – Report Stage – provides another opportunity for Members of Parliament to table the new clause. At

¹⁰ [english_dev_day_pbc_1028](#)

the time of writing, a date for Report Stage has not been set although it is expected to take place in November. A verbal update will be provided at the meeting.

6. Next Steps

- 6.1. Continue to make the case for legislative change through the rest of the English Devolution and Community Empowerment Bill, including through the remaining House of Commons stages (Report Stage and Third Reading) and into the House of Lords stages.
- 6.2. GM Authorities to assess the impacts and implications and understand the potential of a GM Taxi Licensing Model.
- 6.3. GM Authorities to continue to actively review policy standards and processes to deliver improvements where possible.
- 6.4. GM will establish a taxi industry working group, chaired by the Transport Commissioner, to facilitate alignment with the Bee Network. Summaries of key discussions will be published to ensure the trade remains well-informed. Each authority will nominate two Trade Representatives to participate in the group.