

Title: Bill enabling the regulation of Pedicabs in London IA No: DFT00371 RPC Reference No: 16-3558(1)-DFT Lead department or agency: Department for Transport Other departments or agencies: Transport for London	Impact Assessment (IA)
	Date: 14 August 2019
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Primary Legislation
	Contact for enquiries: LondonTransport@dft.gov.uk
Summary: Intervention and Options	RPC Opinion: Fit for Purpose

Cost of Preferred (or more likely) Option (in 2019 prices)			
Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status
£0.2m	£0.2m	£0.1m	Non-qualifying provision

What is the problem under consideration? Why is government intervention necessary?

The pedicab industry remains the only form of public transport in London that is unregulated. Legislation applying to licensed taxis and private hire vehicles (PHVs) in London does not extend to pedicabs, however elsewhere in England and Wales local authorities are able to regulate pedicabs. This means that in London there is an inconsistent position with licensed taxi and PHV operators, who have to meet certain standards and requirements, such as for insurance. In addition, pedicab fares are not fixed or consistent and neither the condition of vehicles or quality of drivers is assessed. There are concerns that pedicabs give rise to significant safety and traffic-related issues¹. This includes concerns that many pedicabs have a lack of safety standard requirements and that they cause issues such as contravention of restrictions on one-way streets, parking in bus lanes and impeding traffic.

According to Nickie Aiken MP (Cities of London and Westminster), who introduced the Private Members' Bill, there are longstanding concerns from Westminster City Council and the Metropolitan Police around passenger safety, particularly around women's safety, due to evidence of anti-social behaviour that includes, but is not limited to, intimidation, harassment and the inability to identify vehicles. According to Nickie Aiken MP other issues that are reported include disruption to business and residents, inconsistent fares for tourists and anti-social behaviour, such as aggressive touting and late night noise pollution in residential areas, particularly the playing of loud music and on this basis, intervention is necessary to create a licencing system to improve passenger safety and residential amenity in central London.

What are the policy objectives and the intended effects?

The policy objective is to ensure pedicabs are safer and fairer for customers. By enabling Transport for London (TfL) to introduce a licensing system for pedicabs this would allow them to set standards for operators, vehicles and drivers; check whether pedicab drivers have the right to work in the UK; and allow licensed operators to provide a service to passengers, who can be reassured of their safety. Transport in London is devolved to the Mayor, so primary legislation is needed to give TfL the statutory power to introduce a licensing regime. The effect of this will be a licencing system which allows a number of pedicabs to operate whilst ensuring public protection.

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

- **Option 0 – Do nothing:** The pedicab industry would remain unregulated and the concerns identified, such as on safety standard requirements and the personal safety of passengers, would not be addressed.
- **Option 1 – Regulatory regime (preferred option):** Powers are granted to TfL to implement a licensing and right to work check regime. This would provide safety standards and enable effective enforcement.
- **Option 2 – Voluntary scheme:** This could potentially raise standards in parts of the industry but, there would be minimal control, especially over those who choose not to participate in a voluntary scheme and no right to work checks.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 09/2028

Is this measure likely to impact on international trade and investment?	No
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¹ Microsoft Word - lc347_title.doc (lawcom.gov.uk) – See paragraphs 4.19 and 4.20.

Are any of these organisations in scope?	MicroYes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded:		Non-traded:	

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

Signed by the responsible Minister: Vere of Norwich Date: 10/11/2021

Summary: Analysis & Evidence

Policy Option 1

Description: Regulatory regime

FULL ECONOMIC ASSESSMENT

Price Base Year 2021	PV Base Year 2022	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -1.2	High: 1.3	Best Estimate: 0.3

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.1	0.1	0.5
High	0.6	0.2	2.5
Best Estimate	0.3	0.1	1.4

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

The Bill proposes creating powers to license and carry out right to work checks; further legislation will define licensing standards. Self-funded licensing will incur costs on pedicab businesses. Due to the sector's relatively small size and low technology, inspection and licensing costs should be lower than taxi and PHVs; estimated to cost £1.4m. Licence costs are proxied for profits lost to those who exit.

Applicants' familiarisation costs are estimated at £23,281. Licensing authorities incur right to work check admin costs, estimated at £649.

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

Administrative and enforcement costs to police, TfL and London boroughs (predominantly Westminster City Council and Camden Council). It has previously been estimated that half of pedicabs operators may be unable to get a licence due to licensing conditions and/or failing to pass right to work checks and will lose income. There may be less income to those who continue to operate pedicabs due to more transparent fares to consumers. There will be the cost of penalties for breach of licence terms of operating without a licence. Full compliance has been assumed in the NPV and business cost calculations, as per the Better Regulation guidance.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.2	0.1	1.4
High	0.2	0.2	1.8
Best Estimate	0.2	0.2	1.6

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

Safer vehicles and reduced likelihood of accident or injury both to passengers, pedicab drivers and other road users. The best estimate of these societal benefits is around £1.6m.

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

- Reduced congestion will allow better traffic flows in the West End.
- Reduced levels of crime and anti-social behaviour. During 2015, 175 pedicab drivers were stopped by the police for anti-social behaviour. More recent data is limited, with no reports to police during 2021 due mostly to reduced footfall.
- Improved transparency of fares so that tourists and others do not pay excessive fares.
- Reduce illegal working in the pedicab sector.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
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We assume some drivers will not meet the standard required to gain a licence and that general numbers of pedicabs will reduce. There is uncertainty of this proportion of drivers, so a 25 – 75 % range has been used (including assessing right to work impacts). The number of pedicab operators obtaining driver and vehicle licences remains the same throughout the appraisal period. They all apply for initial licences in the scheme's first year and apply for the required new licence every 1/3 years, for the vehicle/driver licences respectively.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 0.2	Benefits: 0.0	Net: 0.2	
			£0.7m

Summary: Analysis & Evidence

Policy Option 1

Description: Voluntary scheme for licensing

FULL ECONOMIC ASSESSMENT

Price Base Year: 2021	PV Base Year: 2022	Time Period Years: 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 0.0	High: 0.5	Best Estimate: 0.4

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	1	0.0	0.0
High	0.0		0.0	0.0
Best Estimate	0.0		0.0	0.0

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

No costs have been monetised for this option.

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

- Cost of administrating scheme to TfL and London boroughs (predominantly Westminster City Council and Camden Council).
- Small cost of joining a voluntary scheme. It is unlikely that all drivers would join a voluntary scheme. In accordance with Regulatory Policy Committee (RPC) guidance, voluntary costs are not included in the NPV and business impact calculations.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.0	1	0.0	0.0
High	0.1		0.1	0.5
Best Estimate	0.0		0.0	0.4

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

Safer vehicles and reduced likelihood of accident or injury both to passengers, pedicabs drivers and other road users. The best estimate of these societal benefits is under £362,863 in total.

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

Reduced congestion and anti-social behaviour although this would be a lesser extent than Policy Option 1, as it is less likely the same number of pedicab drivers will join the voluntary scheme. There is a significant risk that the scheme will not be successful in achieving any of the potential benefits.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

It is assumed that pedicab operators and drivers are less likely to join a voluntary scheme to a regulatory regime. This was previously attempted, some years ago, and the evidence gathered by Westminster City Council suggested that a voluntary scheme was only likely to be supported by a small number of pedicab operators and would not target those that are causing congestion and anti-social behaviour issues.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m: 0.0
Costs: 0.3	Benefits: 0.3	Net: 0.0	

Evidence Base

1. Problem under consideration

Pedicabs have been operating in London for around 30 years. As they are unregulated, no one knows for certain how many there are in London. They work predominantly in the West End and Covent Garden, although some are found in other parts of the city. Estimates of the number of pedicabs in operation vary as there is currently no licensing requirement. There is no way to accurately estimate the number in operation.

- TfL has estimated that there are around 400 in operation².
- Heart of London Business Alliance estimated there were 1,400 in operation in a 2018 strategy paper³
- In 2015, the London Pedicab Operators' Association estimated there to be around 650 in operation⁴

Although compared to other modes the number of pedicabs in operation is estimated to be relatively small, there are concerns that they give rise to significant safety and traffic-related issues, which leads to impacts on bus passengers, drivers, and other road users – particularly in certain parts of London. The Government has previously been approached by Transport for London (TfL), over many years, asking for powers to allow them to more effectively control pedicab operations.

Covid-19:

We have consulted TfL in revising this Impact Assessment. TfL suggest that the number of pedicabs in operation now appears similar to pre-pandemic levels. On this basis, TfL's estimate remains that there are around 400 in operation working predominantly in the West End and Covent Garden. TfL also reviewed the other assumptions informing this analysis (see the analytical annex below) and have confirmed these remain valid post-Covid.

Data provided by TfL does show that the number of collisions involving personal injuries only fell from 13 (12 slight injuries, 1 serious injury) in 2019 to 1 (1 slight injury) in 2020; and provisional figures supplied by TfL from January – April 2021 show 0 injuries in 2021⁵. This fall is likely to be attributable to the impact of restrictions on tourism and in areas such as the night-time economy. However, Summer 2021 has seen a return to normal of the West End with restrictions ending

TfL has consulted with policing partners (Westminster), who advised they have not received any complaints about pedicabs so far in 2021. This has also been attributed to the lack of footfall/closure of cultural attractions in the West End, as a result of the Covid-19 pandemic.

Pedicab drivership and journeys:

The pedicab industry is the only form of public transport in London that is unregulated. The profile of passengers includes families with young children, tourists, or adults who are inebriated. The companies operating pedicabs are not licensed and neither are the drivers or vehicles; and there is no requirement for their drivers to undergo criminal record checks.

Pedicab journeys are similar in nature to taxi (hackney carriage) and private hire journeys in that passengers are picked up and taken to a destination of their choice. Different legislation to taxis and PHVs inside and outside of London. In London, as a result of a court judgement in 2003, pedicabs have been regarded as stage carriages and consequently they are excluded from the definition of hackney carriages (taxis). This has meant that they are not subject to any of the legislation that applies to other forms of public transport used for hire and reward in London.

Outside London, a different court judgement defined pedicabs as hackney carriages, so they are currently able to be regulated as such by local authorities. It is a matter for each individual

² Estimate provided by TfL in August 2021.

³ [Pedicabs-Strategy-Nov-2018.pdf \(heartoflondonbid.london\)](#)

⁴ [The truth about rickshaws in London: Here's why Boris Johnson's crusade to ban them might be pointless - CityAM : CityAM](#)

⁵ Figures provided by TfL in August 2021. Numbers are for collisions involving personal injury only from 2019 – April 2021. January – April 2021 are provisional figures. These were recorded by the police using DfT STATS20 guidance.

licensing authority to determine if and how they are regulated. We (the Department for Transport) do not collect data on the number of pedicabs licensed as taxis outside of London. This is attributable to the low numbers of pedicabs in operation outside of London. We consider a similar licensing system to that used already in the area would be the most likely method of regulation.

It may have been possible to ask for a declaratory judgement from the court, which may have declared pedicabs to be hackney carriages. However, their operations do not fit very well with hackney carriage operations (such as the type of vehicle used) and we consider it would be more effective to have a bespoke regulatory regime for this specific type of operation.

Extent of legislation and enforcement:

The legislation will only apply in London, although it could potentially be applied across England. We have not been approached by other licensing authorities to be included, as it appears to only be a problem in London.

Pedicabs licensed as hackney carriages outside London cannot ply their trade in London. Their licence only allows them to pick up fares within their licensing authority and similarly, pedicabs licensed in the future by TfL will only be able to pick up fares in the specific area detailed in their licence.

Previous joint enforcement activity between TfL, Westminster City Council, and the Metropolitan Police has demonstrated that pedicabs are often not road worthy and uninsured, with drivers often disobeying road rules and putting the public at risk. In the absence of regulatory powers, TfL has said there is no definitive list of where pedicabs operate in London. TfL has said that pedicabs can predominantly be observed in Westminster and Camden, but also on the Southbank (Lambeth/Southwark), and in other boroughs to coincide with major events (e.g. in Merton around the time of the Wimbledon Championships).

Right to work:

The Immigration Act 2016 introduced, among other measures, a statutory duty on licensing authorities to carry out right to work checks on those applying for an operator, a taxi and or a private hire vehicle drivers licence. Outside London, these provisions also apply to pedicabs by virtue of being 'hackney carriages'. Licensing authorities would be are therefore unable to issue a pedicab driver's licence without a satisfactory right to work check. As pedicabs are unregulated in Greater London – the right to work checks could not be extended to pedicab drivers. The Home Office supports the proposals consider it appropriate to address this issue, to provide parity with the existing licensing regimes for operators, and taxi and PHV drivers.

Pedicab operations:

Pedicab operations in London have given rise to the following issues -

- the vehicles may be un-roadworthy (e.g. lacking working brakes, lighting, or seat belts) and uninsured;
- there is no requirement for the drivers to undergo character or right to work checks;
- the drivers may disobey applicable road traffic legislation (e.g. contravening one-way streets, driving on the footway, parking in bus lanes, and impeding other traffic);
- pedicabs congregate outside theatres and landmark shops contravening parking restrictions and impeding bus lanes, often blocking fire access for audiences and customers alike; and
- the absence of a licensing regime encourages anti-social behaviour such as aggressive touting and the playing of loud music.

The Law Commission in 2014 produced a report on taxi and PHV services. This covered pedicabs. The Association of Chief Police Officers found that extending control to vehicles such

as pedicabs would be a positive development, as their number was increasing, and they raised road safety issues⁶.

The Law Commission also received further evidence on pedicabs after the consultation period from Westminster City Council, TfL, and the Metropolitan Police. The Law Commission noted that, "They told us that pedicabs raised significant safety and traffic-related issues, including contravention of restrictions on one-way streets, riding on the footway, parking in bus lanes, impeding traffic in central London and generating anti-social behaviour such as aggressive touting and playing loud music. Many pedicabs did not have working brakes, lighting, or seat belts. Further, the high turnover of employees limited the long-term effects of enforcement. There were more than 650 incidents reported in 2013."⁷

In 2019, there were 13 collisions resulting in personal injury, with 12 of these being characterised as slight and 1 injury as serious⁸. These issues give rise to substantial enforcement costs. The Law Commission's report notes that from 2010 to January 2014, TfL funded or part-funded over 160 operations against pedicabs, at the cost of almost £65,000.

Pedicab fares:

Another core criticism of the pedicab industry is that the fares are extortionately high – based on a previous informal consultation carried out these can be in the region of £20 - £30 per person per trip, plus additional charges based on the time the journey takes. We have consulted TfL in revising this Impact Assessment and no further analysis has been conducted. TfL has confirmed this figure remains broadly accurate⁹.

Other than market forces, there are no controls on fares, and these are rarely displayed by the drivers. Furthermore, the principal reason pedicabs in London are excluded from taxi and PHV regulation is that they charge passengers separate fares (on a per person basis) but this is not always made clear to prospective passengers. Where pedicabs are pre-booked for tours, the fares are commonly fixed in advance.

Stakeholder support:

A number of businesses and organisations in the capital, including Westminster City Council, have previously expressed their support for the regulation of the trade. The London Pedicabs Operators' Association (LPOA) has also previously '*robustly advocated and lobbied for a fair and proportionate licensing regime to be introduced for pedicabs (countrywide) for many years*'¹⁰.

We do not know the exact terms of licensing regime, it will be developed by TfL but, we expect TfL will provide a detailed policy statement on what they expect the licensing regime to do.

Stakeholder engagement undertaken by sponsoring MP:

Whilst DfT has not undertaken stakeholder engagement, as this is a Private Members' Bill, according to Nickie Aiken MP (Cities of London and Westminster) the Bill is supported in its entirety by the Mayor of London, TfL, Lambeth Council, as well as Westminster City Council and the Royal Borough of Kensington and Chelsea.

Nickie Aiken MP has stated the Bill is also supported by London Councils, the Licensed Taxi Drivers Association, the Royal National Institute of Blind People, the new West End Company and the Heart of London Business Alliance; and added that these organisations are joined by residents' associations and amenity societies across central London including the Soho Society, the Marylebone Association, the St Marylebone Society, the Covent Garden Community Association, the Knightsbridge Association and the Hyde Park Estate Association.

According to Nickie Aiken MP, the Bill is supported in the Commons by the Members of Parliament for Vauxhall, Kensington, Hammersmith, Westminster North, Hackney South, Shoreditch and Ilford North, amongst others.

⁶ See footnote 1, paragraph 4.19 of the Law Commission report.

⁷ See footnote 1, paragraph 4.20 of the Law Commission report.

⁸ Information provided by TfL. See more in section 8.4 of this document.

⁹ Information provided by TfL in August 2021.

¹⁰ [Responses-201-300_Part-2.pdf \(lawcom.gov.uk\)](#) – See page 57.

2. Rationale for intervention

The problem under considerations involves two identified market failures, which the proposed policy options aim to correct through Government intervention. These market failures are imperfect information and negative externalities.

- **Imperfect information:** Consumers need to know the quality of the pedicab service to accurately judge the value of the benefit it can provide. Potential pedicab passengers are currently uncertain around fares and the service provided (e.g. whether the journey will meet their safety expectations; certainty that the driver has the right to work in the UK). This is known as ‘asymmetry of information’, and can restrict the quality of the good traded, resulting in ‘adverse selection’.
 - Government intervention through creating a system of regulation and licensing would aim to reduce the level of information asymmetry, allowing consumers to make more informed decisions surrounding pedicabs.
 - A voluntary scheme would not reduce the level of information asymmetry as effectively, as it may not be clear which pedicabs are part of the scheme to consumers; and operators, who are part of the scheme, will not be subject to as stringent conditions as in a regulatory regime.
- **Negative externalities:** ‘Externalities’ result when a particular activity produces benefits or costs that are not directly priced into the market. Key negative externalities (costs) that have been observed in the pedicab market are crime, anti-social behaviour, congestion, illegal working, and negative effects on road safety. These negative effects will be amplified if the introduction of outdoor dining in areas like Soho during the pandemic becomes a permanent fixture.
 - Government intervention through creating a system of regulation and licensing would aim to enforce pedicabs drivers adhering to certain standards that minimise these negative externalities, leading to a more socially optimal outcome.
 - A voluntary scheme would not reduce negative externalities as effectively, as standards will not be as stringent compared to the regulatory regime; and it is not likely all pedicabs operators would join the voluntary scheme.

3. Policy objective

The policy objective is to ensure that pedicabs are safer and fairer for customers. Enabling TfL to introduce a licensing system for pedicabs would allow them to set clear standards for operators, vehicles and pedicab drivers. This would allow licenced operators to provide a service to passengers, who can be reassured of their safety.

The introduction of right to work requirements for the pedicab sector will make it more difficult for pedicab drivers, who are in the UK illegally and/or lack the right to work to obtain and keep a pedicab driving licence. The desired impact of this is to reduce illegal working in the pedicab market. There are also expected to be wider benefits for lawful businesses who at present are falling victim to undercutting from individuals who lack the right to work.

Regulation would enable TfL to control numbers and introduce traffic measures, which will help to improve congestion in the West End area of London. It would also enable the police and TfL’s enforcement teams (and TfL authorised officers such as LA officers or PCSOs) to remove pedicabs drivers, who are operating without a licence or outside their licence conditions.

The measure will be a success when the pedicab fleet in London is safe, resulting in fewer collision incidents and improved traffic management. We also expect fewer complaints of anti-social behaviour and excessively high fares.

The policy objective is believed to be achievable as TfL has a track record in regulating passenger carrying vehicles. TfL already has responsibility for regulating taxi and PHVs, and therefore have the staff and systems in place to introduce and managing a licensing regime for pedicabs.

4. Options considered

- **Option 0 - Do nothing:**

Description: Under Option 0, no intervention would be made, meaning pedicab operators will continue to operate without licensing or under any specific regulation.

Effect: To do nothing will continue the present situation where there are no regulatory or enforceable controls on pedicab operations in London. There would be no direct cost to pedicab operators, as they can continue to operate without self-financing a licence or complying to right to work checks. There would be no need for legislation.

Impacts: This option represents the 'do nothing' scenario; and is the counterfactual against which the other options are assessed. Therefore, it is assumed no 'additional' costs and benefits will occur, and this is not included in the analysis.

Effectiveness of achieving policy objective: Option 0 will have no positive effect in achieving the outlined policy objective. There will still be a risk to public safety, including road safety, crime and disorder, and congestion issues in allowing the present unregulated situation to continue. There will also not be an ability to enforce parking and traffic controls. The negative costs associated with these issues will continue to occur with no regulatory regime or voluntary scheme in place.

- **Option 1 – Regulatory regime:**

Description: Option 1 would involve creating a system of regulation and licensing that would aim to implement appropriate safety standards of pedicabs, to be set and enforced against, and transparency of fares. This could include licensing drivers taking into account their competence, character, and health; only licensing vehicles that are mechanically sound and fit for purposes; and means to positively identify drivers and vehicles.

There will also be the requirement that all licensing authorities conduct right to work checks before approving pedicab drivers' licences.

This option is proposing to create the powers to license and carry out right to work checks. Further legislation will be used to set out and define the standards for licensing. This impact assessment looks at providing a scope for the potential costs and benefits of the proposed regulation.

Effect: The LPOA has previously introduced a Code of Practice¹¹; and a Code of Conduct¹² for pedicab drivers. While some operators have regulated themselves, the absence of formal requirements means it can be difficult for those who conform with these standards to compete against others who do not. A regulatory regime will require all pedicabs to operate to the same standards, which will improve the public perception of pedicabs and reputation of those operating in the industry. Additionally, introducing mandatory right to work checks will reduce illegal working within the pedicab sector.

TfL carried out a consultation in 2006 on licensing pedicabs¹³; and the Law Commission published a consultation paper on taxi and private hire vehicle licensing in 2012¹⁴ and a report on taxi and private hire vehicles in 2014. In its response to the 2012 consultation paper, the LPOA stated that, "We have robustly advocated and lobbied for a fair and proportionate licensing regime to be introduced for pedicabs (countrywide) for many years, but the issue has remained in the 'too difficult' pile both in London and elsewhere in the UK."¹⁵

It is likely that a licensing regime would lead to a reduction in pedicabs in operation due to tight control over the specification and condition of the vehicles, and through the requirements for drivers which will prevent spontaneous employment as a pedicab driver. We estimate a loss of profit for those who need to leave the market. A reduction in pedicabs, and/or improvement in

¹¹ [Pedicab Operator and Owner \(lpoa.org.uk\)](http://lpoa.org.uk) – Code of Practice

¹² [Pedicab Rider Application Form and Agreement with The London Pedicab Operators' Association \(lpoa.org.uk\)](http://lpoa.org.uk) - Code of Conduct

¹³ [Consultation on the Licensing of Pedicabs \(london.gov.uk\)](http://london.gov.uk)

¹⁴ See footnote 10.

¹⁵ See footnote 10.

road safety and adherence to appropriate legislation, would have a positive impact on congestion and obstruction of highways.

Monetised Impacts

Costs	Direct or Indirect Impact?	Explanation	Scenario costs (£) 2021 prices, discounted to 2022		
			Low	Central	High
Costs of licences for drivers and vehicles or loss of profit for those leaving the market	Direct	There will be a cost to pedicab operators and businesses of a self-funded licensing system. The pedicab industry is small and so a self-funding licensing scheme should not be too burdensome to pedicabs operators. For example, the low technology in a pedicab would not require the same level of scrutiny as a taxi or PHV therefore the cost of inspection and licensing would be expected to be proportionately lower. There will be a loss of profit for those forced to exit the industry, which we assume is equal to the licensing costs.	£625,175	£1,529,023	£2,814,820
Familiarisation costs for pedicab drivers	Direct	Pedicab drivers will need to familiarise themselves with the new licensing scheme and right to work requirements as a result of the intervention. This is assumed to be a one-off transition cost that will incur when the regime is introduced.	£3,042	£23,281	£100,171
Licensing authorities ongoing costs	Direct	This Option will result in ongoing costs to licensing authorities relating to additional checking and processing of applications by staff. The 2016 Home Office Immigration Bill Impact Assessment ¹⁶ estimated that it may take 4, 7, 11 minutes according to low, central, and high scenarios, for the public sector/licensing authorities to take the additional information and process applications ¹⁷ .	£241	£649	£1,550
Benefits	Direct or Indirect Impact?	Explanation	Scenario benefits (£), 2021 prices, discounted to 2022		
			Low	Central	High
Reduction in accidents	Indirect	Assumed that rate of casualties through pedicab accidents (TfL's numbers show that there are 7.5 accidents per year in total, with 0.5 serious and 7 slight injury causing accidents based on evidence from TfL ¹⁸), will reduce by the same percentage decrease in operational pedicabs. WebTAG values for casualties have been used to monetise the benefit of decreased casualties.	£1,585,889	£1,860,226	£2,134,562

Non-Monetised Impacts

Costs	Explanation

¹⁶ Validation impact assessment for private hire vehicles and taxis.pdf (publishing.service.gov.uk) – Assessment found at Page 11.

¹⁷ We have checked with the Home Office whether there were any updates to the estimates in the 2016 Impact Assessment. There were no updates to these, however the Home Office did add that they introduced an online right to work checking service in 2018, which has simplified carrying out checks, particularly during COVID-19. While the Home Office do not currently have updated data, their expectation is that the developments made courtesy of the checking service will have reduced average check time. The Home Office noted that 'the online right to work service is a simple way to check someone's right to work digitally, without needing to check physical documents. Since January 2019, employers and licensing authorities have been able to use the service to check a prospective employee's or applicant's immigration status.' The Home Office added, 'Published Home Office Transaction Explorer Data (<https://www.gov.uk/government/publications/home-office-data-q2-2021>) shows a significant increase each quarter in respect of the use of the online right to work service, for individuals and employers. Since the introduction of the right to work online service, there have been over two million views by migrants viewing their own right to work status and over 661k employers viewing status shared by a migrant.'

¹⁸ Numbers are for collisions involving personal injury only from 2016 – 2019. Data for 2020 has been excluded given the impact of lockdowns producing anomalous results. These were recorded by the police using DfT STATS20 guidance. Provisional numbers for January – April 2021 showed that there had been no such accidents in 2021.

Local government administrative costs	There would be a cost of administering and implementing the scheme to TfL and London boroughs (predominantly Westminster City Council and Camden Council). It has been assumed that any fees of joining the scheme will cover all administrative costs, which is the TfL approach for taxis and private hire vehicles.
Local government enforcement costs	There are potential enforcement costs to police and costs to TfL and London boroughs of removing unlicensed drivers, removing drivers without the right to work checks, inspecting licences and vehicles, and enforcing parking restrictions. It has been assumed that any fees of joining the scheme will cover all enforcement costs, which is the TfL approach for taxis and PHVs.
Benefits	Explanation
Improved road and passenger safety	As well as the reduction in accidents, there will be improved road safety as pedicabs will have to adhere to the appropriate licensing standards which could improve congestion issues for other road users.
Improved transparency of fares	Improved transparency of fares due to appropriate licensing standards will allow consumers to make a more informed decision on pedicab use, and not be subject to potentially excessive fares. This will benefit the general public, as well as tourists who may be more susceptible to being charged excessive fares.
Reduced crime and anti-social behaviour	Reduced crime and anti-social behaviour as pedicabs will have to adhere to the appropriate licensing standards. This will benefit the general public, tourists, and road users, who will now be less susceptible. It will also benefit TfL and relevant enforcement bodies, who will have to commit less resource to enforcement. Note: Licensing will need to be enforced, so the net impact on enforcement resource costs is uncertain.
Reduce illegal working in the pedicab sector	Wider benefits for legal businesses who are currently subjected to undercutting and poor practice from those without the right to work. There are also expected to be public safety improvements, as currently unlawful workers drive vulnerable clients.

Effectiveness of achieving policy objective:

Option 1 would meet the outlined policy objectives and is the preferred option.

- Option 2 – Voluntary scheme:

Description: Option 2 would involve creating a voluntary scheme for pedicab business owners, operators and drivers that will involve training and certification to ensure adherence to certain safety and behavioural standards.

Effect: The LPOA operates a Code of Practice and Code of Conduct for its members. These codes are designed to maintain standards; promote consistency in the industry; and train and monitor pedicab drivers. However, despite this degree of self-regulation, the lack of enforceable controls over the pedicab industry and the inability to take enforcement action against unsafe vehicles and drivers, means limited data is held and incidents go unreported. A voluntary Code of Conduct does not provide sufficient safety and consumer protection to the travelling public. The same effect may therefore occur with a newly implemented voluntary scheme.

Monetised Impacts

No costs have been monetised for this option. There would be a small cost of joining a voluntary scheme, however it is unlikely that all, if any, drivers would join a voluntary scheme. In accordance with RPC guidance, voluntary costs are not included in NPV and business impact calculations.

An estimate of the monetised benefits of reduction in injuries through pedicab related accidents has been assessed for the voluntary scheme. It has been assumed that less pedicabs join the voluntary scheme than in the regulatory regime, due to its voluntary nature.

Benefits	Direct or Indirect Impact?	Explanation	Scenario benefits (£), 2021 prices, discounted to 2022)		
			Low	Central	High

Reduction in accidents	Indirect	Assumed that rate of casualties through pedicab accidents (numbers show that there are 7.5 accidents per year in total, with 0.5 serious and 7 slight injury causing accidents), will reduce by the same percentage decrease in operational pedicabs ¹⁹ . WebTAG values for casualties have been used to monetise the benefit of decreased casualties.	£0	£421,557	£602,225
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Non-Monetised Impacts

Costs	Explanation
Local government administrative costs	There would be a cost of administering and implementing the scheme to TfL and London boroughs (predominantly Westminster City Council and Camden Council). It has been assumed that any fees of joining the scheme will cover all administrative costs, which is the TfL approach for taxis and private hire vehicles.
Cost to operators of joining the scheme.	Relatively smaller cost of joining a voluntary scheme (compared to the regulatory regime option). However, it is unlikely that all drivers would join a voluntary scheme based on the experience of the LPOA and it would be difficult to ensure transparency of fares.
Benefits	Explanation
Same benefits as Option 1 (regulatory regime) – but to a lesser extent	This option may reduce congestion, anti-social behaviour, and improve road safety, but only in certain cases, and therefore to a lesser extent than in Option 1.
Faster implementation due to no requirement of legislation	This option would not require legislation to be implemented and could then be introduced more quickly, resulting in potential accrual of social benefits sooner than if primary legislation was required.

Effectiveness of achieving policy objective

Option 2 may reduce costs to society, but only in certain cases, and therefore to a lesser extent than in Option 1. This is due to the fact it is unlikely all, if any, drivers will join the voluntary scheme. In particular for those who have most need for regulation may not join, such as those that may not adhere to a voluntary code around safety. Without civil or criminal penalties that would be introduced with a legislative regime, enforcement would be considerably less effective and would fail to address the right to work problem that the proposed legislation in Option 1 aims to counteract.

5. Business Impact Target (BIT) Calculations

Option 1:

- BIT analysis has included the transitional one-off familiarisation costs associated with the new licensing scheme and right to work requirements, as well as the driver and vehicle licence costs to business. Administrative costs of licensing authorities are assumed to be passed on to applicants indirectly, which is why these have not been included in the analysis.
- The EANDCB score is estimated to be £0.2m

Option 2:

- No direct business costs have been monetised in the BIT analysis, as this option is a voluntary scheme, and any actions taken voluntarily by businesses fall outside the scope for EANDCB.
- The EANDCB score is estimated as £0m.

6. Risks and Assumptions

There is a lack of evidence surrounding pedicabs, so we have made a number of assumptions as to their usage:

¹⁹ See footnote 16.

- In estimating the number of pedicabs we have used information provided by TfL, Heart of London Alliance, and the LPOA. As estimates vary, we have taken an average of their estimates, which is 817 pedicabs in operation.
- We have assumed the costs of licences would be similar to that of taxis and PHVs but at a reduced level for reasons of proportionality (e.g. less sophisticated technology, less risk of casualty on collision)

7. Rationale and evidence to justify level of analysis

The appropriate level of analysis for this Impact Assessment has been assessed to be low, based on a decision around proportionality. The main justifications for this assessment are:

- Very limited data available on this industry.
- The scale and distribution of the impact is relatively low, as it only affects a very small market in London only, with the net direct costs to UK business currently estimated at less than £158,000 in 2021 prices.

8. Wider Impacts

Economic Impacts

8.1 Competition Assessment

If pedicabs are more desirable to consumers through improved transparency of fares and safety reassurances, demand for pedicabs could potentially increase, which could then result in increased competition between pedicabs and other modes of transport, such as buses, taxis or PHVs. This could affect demand and revenues for these other modes of transport.

For example, if the demand for pedicabs increased, the number of pedicabs could increase over time due to increased business opportunities. Increased preference for pedicabs could therefore lead to reductions in demand for their direct competition of buses, taxis and PHVs. Less demand for these other forms of transport could then lead to reduction in revenues for operators, if the numbers of passengers decreased. The opposite effect could occur if the licensing scheme reduces the number of pedicabs but does not significantly affect demand for their services.

It is also possible that the closest competitor of pedicabs is walking on foot, as other vehicles may be preferred for longer journeys. In this case, the effect on competition with other businesses would be minimal regardless of an increase or decrease in pedicab demand.

8.2 Financial and Resource Impacts

For Option 1 (Regulatory regime), there will be enforcement costs to the police and to TfL and affected London boroughs of removing unlicensed drivers, inspecting licences and vehicles. There will also be costs of administering the scheme (for both Option 1 and 2).

8.3 Congestion Impact

A number of operators may be causing congestion by disobeying applicable road safety legislation (e.g. contravening one-way streets, driving on the footway, parking in bus lanes, and impeding other traffic). Reducing instances of this behaviour through a regulatory regime or voluntary scheme may therefore reduce levels of congestion, which could have a positive impact on reducing the marginal external costs of congestion, namely:

- Air pollution;
- Noise;
- Infrastructure;
- Accidents; and
- Greenhouse gas emissions.

However, there is uncertainty around the impact a regulatory regime or voluntary scheme would have on demand for pedicabs. For example, improved transparency of fares for potential passengers and knowing that journeys will be safer may see an additional increase in demand for

pedicabs, shifted from taxis/other forms of transport, and there may be more pedicabs on the roads over time. Assuming pedicabs are no longer demonstrating congestion causing behaviour, this will have similar decongestion impacts compared to the impact of reducing the amount of pedicabs on the road. Pedicabs are less noisy and cause significantly less air pollution and emit less than fuel-based vehicles, which could lead to positive impacts on air pollution, greenhouse gas emissions and noise impacts.

Social Impacts

8.4 Safety and accidents

TfL has provided the below table, which shows the number of collisions involving personal injury only for pedicabs/rickshaws from 2017 – 2021 April. The data for January – April 2021 is provisional. These numbers have been recorded by the police using DfT STATS20 guidance.

	SERIOUS	SLIGHT	Grand Total
2017	0	6	6
2018	1	6	7
2019	1	12	13
2020	0	1	1
<i>Jan - Apr 2021 prov.</i>	<i>0</i>	<i>0</i>	<i>0</i>
Grand Total	2	25	27

This shows that, there were 26 accidents across the years 2017-2019. To note, the Covid-19 pandemic impacted pedicab operations from March 2020 onwards, with lower footfall/closure of attractions and venues etc, as a result of the Covid-19 pandemic. Standards on vehicles would aim to prevent faulty or unsafe vehicles from operating, which could lead to improved safety and a reduction in accidents.

8.5 Crime Impact

A licensing scheme should lead to less anti-social behaviour and crime. However, implementation of a regulatory regime creates a new opportunity to commit a criminal offence, through operating a pedicab without a licence. This would need to be monitored and enforced by the police and therefore while other crimes may decrease, the overall impact on crime and police enforcement resource costs is unclear. For the voluntary scheme option, police enforcement of licences would not be necessary and so there is a higher potential for an overall, but likely very small, positive impact on crime rates.

Environmental Impacts

8.6 Air Quality and GHG Emissions Impact

See Congestion Impacts at 8.3 for information.

8.7 Noise and nuisance

In addition, to noise pollution caused through congestion, a small number of pedicab operators are known to play loud music, as well as demonstrating 'nuisance' behaviour, such as aggressive touting. Licensing may reduce this behaviour, and have a positive impact on surrounding pedestrians, businesses, and residents.

Small and Micro Business Assessment

8.8 Small and Micro Business Assessment

Option 0 – Do nothing: Doing nothing will not have a burden on small and micro businesses as there will be no regulation put in place on businesses.

Option 1 – Regulatory Regime (Preferred Option): It is expected that the London pedicab industry is majority small and micro businesses, with some individual operators. This would imply the regulatory regime will mostly impose costs on small and micro business. An exemption is not applied, as the scheme would not be effective in achieving policy objectives. This would mean the majority of businesses would be exempt and the problems under consideration would not be addressed.

Option 2 – Voluntary Scheme: As an opt-in and voluntary solution, individuals operating pedicabs, small and micro businesses would only need to join the scheme if they choose to do so, meaning no regulatory burden is forced upon these businesses.

Other Impact Assessments/Tests

8.9 Equality Impact Assessment

An Equality Impact Assessment has been conducted. This noted that there would be a potential impact on the protected characteristic of age, due to anecdotal evidence that pedicab drivers tend to be young. It also noted that the introduction of a regulatory regime is likely to have an impact on the number of pedicabs in operation, and through the requirements placed on pedicab operators and drivers. However, the current lack of regulation of the pedicab industry makes this impact difficult to accurately assess, as there is not accurate data on the number of pedicabs currently operating in London.

While recognising the desirability of achieving the Public Sector Equality Duty aims, we are choosing to proceed with the policy due to one of the central purposes being the improvement of passenger safety; and the intention to address the legal anomaly of the pedicab industry being the only form of public transport in London that is unregulated. We consider that any adverse impacts of the policy would be outweighed by the benefits of it.

8.10 Justice Impact test

A Justice Impact test has been conducted. This states that the draft Bill would enable TfL to create offences in secondary legislation; and provide TfL with the option of seeking to deal with offences by civil penalty or prosecution. TfL proposes a similar regime to that for enforcing taxi and PHV legislation.

The Justice Impact test notes that the offences would be determined by secondary legislation made by TfL and subject to the negative resolution procedure if the primary legislation was passed. Similarly, the enforcement of the regulatory regime would be determined by secondary legislation. However, TfL has said they would like the ability for enforcement staff, alongside policing partners, to conduct enforcement activity in much the same way as they do for taxis and PHVs/PHV operators.

9. Preferred Option

The preferred option is Option 1 (Regulatory regime). This option would meet the outlined policy objectives.

This option is preferred over Option 0 because that option would have no positive effect in achieving the outlined policy objective. There would still be a risk to public safety, including road safety, crime and disorder, and congestion issues in allowing the present unregulated situation to continue. There will also not be an ability to enforce parking and traffic controls. The negative costs associated with these issues will continue to occur with no regulatory or voluntary schemes in place.

This option is preferred over Option 2 because while Option 2 may reduce costs to society, it would only to a lesser extent than Option 1. This is due to the fact it is less likely pedicab operators or drivers would join the voluntary scheme, and standards would not be as stringent. Without civil or criminal penalties that would be introduced with a legislative regime, enforcement would be considerably less effective. In addition, the inconsistency in Home Office immigration policy would remain.

Post Implementation Review (PIR) Plan

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

<input type="checkbox"/>	Sunset clause	<input type="checkbox"/>	Other review clause	<input type="checkbox"/>	Political commitment	<input checked="" type="checkbox"/>	Other reason	<input type="checkbox"/>	No plan to review
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It is the view of DfT's legal advisers that this legislation does not require a review clause, as the requirement to include a review clause where legislation regulates business activity only applies in respect of secondary legislation. However, we will conduct a voluntary review of the policy, noting that this will have to be completed working closely with TfL, who would be responsible for the regulatory regime.

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

0	9	/	2	8
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Rationale for PIR approach:

Describe the rationale for the evidence that will be sought and the level of resources that will be used to collect it.

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

The post-implementation review would follow a low-evidence and resourcing approach. This is proportionate given the changes are expected to have very small impacts (a Zero Net Business cost has been estimated). The regulatory regime is also not expected to be complex, as even though it is new, TfL has extensive experience in taxi, PHV and driver licensing, as well as carrying out 'right to work' checks on taxi and PHV drivers.

What forms of monitoring data will be collected?

Our intention, subject to discussion and agreement with TfL, would be for use of existing monitoring data covering:

- Vehicle and driver licence applications and licences issued and rejected due to 'right to work checks';
- Enforcement;
- Complaints surrounding pedicabs;
- Pedicabs stopped by police for anti-social behaviour; and
- Incidents involving pedicabs, including collisions resulting in injury.

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

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

We would seek for the post-implementation review to use process evaluation and a very light-touch impact evaluation. The process evaluation will draw upon stakeholder feedback while the light-touch impact evaluation will involve comparing available monitoring data to pre-implementation values (where available). As improving safety is seen as a key policy objective, we plan to look at the number of safety related incidents over the time period.

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

Existing engagement channels would be the main route for obtaining views from key stakeholders such as safety and enforcement organisations (including TfL, affected London boroughs, and the Metropolitan Police) and trade associations. Official correspondence on the subject will also be monitored.

Analytical Annex

This annex outlines the methodology and assumptions used to estimate the costs and benefits that feed into the analysis.

Familiarisation costs

Summary of method

- The total proportion of pedicabs that join the regulatory regime is estimated.
- The assumed total hours spent by pedicab drivers is estimated and multiplied by the hourly wage. The wage is also multiplied by an uplift rate to account for non-wage costs of familiarisation, in line with Better Regulation guidance.
- This is assumed to be a one-off transaction cost that will incur when the regime is introduced.
- The familiarisation costs have been calculated to include the costs of familiarising with both the new licensing scheme and the right to work requirements. For the familiarisation costs we assume a 25%, 50%, and 75% uptake for each low, central, and high cost scenario respectively.
- The licensing scheme familiarisation costs have been calculated by multiplying the total applicants' hours of familiarisation (which consists of the familiarisation time assumptions multiplied by the total number of pedicabs that stay in the market under each sensitivity scenario) with the driver's hourly wage and the familiarisation uplift assumption of 20.2%. This calculation is repeated for the licensing scheme and then the right to work costs, which are both grouped together.

Assumptions

Assumption	Source	Further information	Scenario		
			Low	Central	High
Number of pedicabs currently operational	TfL expert opinion (400); Heart of London Alliance (1400); and London Pedicab Operators Association (approximately 650) ²⁰ .	Due to the lack of evidence concerning the number of pedicabs operating in London, this Impact Assessment has used information provided by TfL, the Heart of London Alliance, and LPOA in 2019. TfL have confirmed that their estimate remains accurate in 2021. Estimates from these sources vary, so we have taken an average which is the central estimate. The low and high scenarios use the lowest and highest estimates from these sources. This range is not evidence based.	400	817	1400
Percentage of drivers assumed to obtain licence, complete right to work checks and continue operating	Departmental and TfL expert opinion.	Based on the cost of a Private Hire driver licence (scaled down to reflect lower passenger carrying capability). TfL have confirmed this assumption remains valid in 2021.	25% (Option 1), 0% (Option 2)	50% (Option 1), 8% (Option 2)	75% (Option 1), 25% (Option 2)
Additional time for applicants to provide right to work information	Based on estimates from the 2016 Home Office Immigration Impact Assessment ²¹	Home Office Impact Assessment conducted a survey to gather estimates. One question provided values for how many additional minutes it would take applicants to provide the relevant information for right to work checks.	3	7	11
Average hourly wage for managerial pedicab drivers (£)	ONS Annual Survey of Hours and Earnings (2020) ²² – Table 14.6a: Hourly pay, excluding overtime.	Central estimate uses mean hourly pay (£) for all road transport drivers. Excluding over time. Used in lieu of data of pedicab driver pay. Low and High estimates are the 10 th and 90 th percentile values, respectively. Hourly wages have been inflated to 2021 prices.	£8.30	£11.52	£15.31

²⁰ See footnotes 2, 3 and 4.

²¹ See footnote 17.

²² [Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14 - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Number of hours required by worker for familiarisation	Departmental and TfL expert opinion ²³	+/- 1-hour scenarios used to address uncertainty. This range is based on departmental expert opinion and verified by TfL in 2021.	3	4	5
Non-wage cost uplift rate	In line with Better Regulation guidance.	Uplift on hourly wage estimates to account for non-wage costs of familiarisation.	20.2%		

Licence costs

Summary of method

- The total proportion of pedicabs that join the licensing scheme is estimated.
- For the number of pedicab drivers assumed to join the licensing scheme, the total cost of both the driver and vehicle licences are estimated.
- The loss of profit for those forced to exit the industry is assumed to be equal to both the driver and vehicle licensing costs.
- It is assumed that the same number of pedicabs are operational under the licensing scheme for the entire 10-year appraisal period.
- Licence costs occur every 3 years for the driver licence, and every year for the vehicle licence.

Assumptions

Assumption	Source	Further information	Scenario		
			Low	Central	High
Number of pedicabs currently operational	TfL expert opinion (400); Heart of London Alliance (1400); LPOA (approximately 650) ²⁴ .	Due to the lack of evidence concerning the number of pedicabs operating in London, this Impact Assessment has used information provided by TfL, the Heart of London Alliance, and LPOA in 2019. TfL have confirmed that their estimate remains accurate in 2021. Estimates from these sources vary, so we have taken an average which is the central estimate. The low and high scenarios use the lowest and highest estimates from these sources. This range is not evidence based.	400	817	1400
Percentage of drivers assumed to obtain licence and continue operating	Departmental and TfL expert opinion.	Based on the cost of a Private Hire driver licence (scaled down to reflect lower passenger carrying capability). TfL have confirmed this assumption remains valid in 2021.	25% (Option 1), 0% (Option 2)	50% (Option 1), 8% (Option 2)	75% (Option 1), 25% (Option 2)
Percentage of drivers who exit the market under each scenario.	Proxy	For option 1 there will be a loss of profit for those who exit the industry. We use the licensing costs as a proxy for this as if the costs of exiting the market were higher than the cost of staying, an operator could afford the licence.	75%	50%	25%
Cost of a pedicab driver licence (£)	Based on current fees for Taxi/Private Hire driver licences ²⁵	Based on the cost of a Private Hire driver licence (scaled down to reflect lower passenger carrying capability based on expert opinion)	£171	£199	£228

²³ TfL has confirmed this assessment, which was previously verified TfL, remains valid as of August 2021. It was based on TfL's previous experience when the private hire act came in. TfL either wrote to, or visited in the case of operators, people who were likely to be affected explaining what the new regulations would mean for them. 3 hours as a low estimate and 5 as a high estimate is considered to be a reasonable estimate of how long that process would take.

²⁴ See footnotes 2, 3 and 4.

²⁵ <https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/apply-for-a-taxi-driver-licence>

		which was estimated during the 2016 iteration of this Impact Assessment. The original estimate (£150 £175, £200), which was in 2016 prices, has been scaled up to 2021 prices.			
Cost of a pedicab vehicle licence (£)	Based on current fee for Taxi/PHV vehicle licence ²⁶	Application fee (£66), grant of licence fee (£44). 20% reduction in fee for low scenario, to reflect that fee may be lower due to less sophisticated technology requiring less rigorous inspection and standards.	£88	£110	£110
Additional time for applicants to provide right to work information	Based on estimates from 2016 Home Office Immigration Impact Assessment. ²⁷	Home Office Impact Assessment conducted a survey to gather estimates. One question provided values for how many additional minutes it would take applicants to provide the relevant information for right to work checks.	3	7	11
Additional time for licensing authorities to conduct right to work checks	Based on estimates from 2016 Home Office Immigration Impact Assessment. ²⁸	Home Office Impact Assessment conducted a survey to gather estimates. One question provided values for how many minutes extra it would take staff to check and process an application.	4	7	11
Average hourly wage for licensing authority admin staff (£)	ONS Annual Survey of Hours and Earnings (2020) ²⁹ – Table 14.5a: Hourly pay, excluding overtime.	Mean hourly pay (£) for all administrative occupations. Excluding over time. Used in lieu of data of licensing authority admin staff pay. Low and High estimates are the 10 th and 90 th percentile values, respectively. Hourly wages have been scaled up to 2021 prices.	£9.06	£13.90	£21.13
Number of years driving licence valid	Current length of driver licence for Taxis and PHVs in London. ³⁰	No sensitivity range, as no evidence to suggest it would be different from Taxi/PHV practice.	3		
Number of years vehicle licence valid	Current length of vehicle licence for Taxis and PHVs in London. ³¹	No sensitivity range, as no evidence to suggest it would be different from Taxi/PHV practice.	1		

Accident Benefits

Licence costs

Summary of method

- The total proportion of pedicabs that join the licensing scheme is estimated, across all options and scenarios.
- The cost per casualty (£) taken from WebTAG data book is applied to the assumed counterfactual ('do-nothing' option) casualties.

²⁶ See footnote 25.

²⁷ See footnote 17.

²⁸ See footnote 17.

²⁹ [Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14 - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/economy/earningsandhours/earningsandhoursworked/occupationbyfour-digitSOC)

³⁰ See footnote 25.

³¹ See footnote 25.

- The number of casualties for each option and scenario are estimated, assuming that the number of casualties reduces by the same proportion as reduction in number of operational pedicabs. The cost per casualty is then applied to these estimated number of casualties.
- The difference between the counterfactual and scenario costs of casualties associated with pedicabs is captured as a benefit, as this is the value of reductions in casualties as compared to the counterfactual.

Assumptions

Assumption	Source	Further information	Scenario		
			Low	Central	High
Counterfactual number of pedicab accidents resulting in injury	Provided by TfL ³² .	<p>Collisions involving a pedicab/rickshaw from 2016 – 2020; 4 slight injuries in 2016; 6 slight injuries in 2017; 1 serious, 6 slight injuries in 2018; 1 serious, 12 slight injuries in 2019; 1 slight injury in 2020. These numbers are for collisions involving personal injury only. These were recorded by the police using DfT STATS20 guidance. Provisional figures for January – April 2021 show no injuries.</p> <p>For the purposes of this analysis, the 2020 year has been excluded due to the effects of lockdowns. This is especially pronounced given pedicabs primarily operate around Covent Garden and the West End where restrictions have had the most impact on footfall and activity.</p> <p>Based on these numbers, the four-year average (2016 – 2019), is 7.5 injuries per year (0.5 serious, 7 slight injuries).</p>	7.5 accidents (0.5 serious and 7 slight) per year		
Reduction in accidents resulting in injury	No evidence available.	Have assumed that incidents decrease by the same % decrease in number of operational pedicabs, for the respective low, central, and high scenarios for both options.	25% (Option 1), 0% (Option 2)	50% (Option 1), 8% (Option 2)	75% (Option 1), 25% (Option 2)
Value of preventing casualty	WebTAG data book July 2021 v1.15 – Table A 4.1.1 “Average value of prevention per casualty by severity and element of cost (£2010 prices)” ³³	Without evidence on severity of casualties, have assumed only ‘slight’ injuries in order not to overestimate benefits. No range provided by WebTAG for this value. WebTAG cost valuations have been scaled up to 2021 prices.	£17,843		

³² See footnote 18.

³³ <https://www.gov.uk/government/publications/tag-data-book>