BETTER STANDARDS = ENVIRONMENTAL GAINS

Response to the call for evidence on licensing of taxis and private hire vehicles

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Summary

T&E UK is the national office of Europe's leading organisation advocating for clean transport and energy. Clean Cities Campaign is Europe's largest network of NGOs supporting cities to transition from polluting vehicles to active, shared, and electric mobility.

We welcome the inquiry into how standards for taxis and private hire vehicles (PHVs) could be improved. The committee is right to assess accessibility, safety and safeguarding of passengers in the context of cross border licensing. However, there is also strong evidence that poor regulation means that the government and local authorities are missing a big opportunity to support UK manufacturing of electric vehicles and deliver on their environmental goals by boosting the uptake of electric vehicles in these fleets.

As part of this inquiry, we urge the committee to consider the economic, job and environmental benefits gained from better regulation and more effective and consistent taxi and private hire vehicle emissions requirements.

Context: current licensing and weak regulation undermine environmental goals and British manufacturing

Taxis and private hire vehicles (PHVs) contribute disproportionately to urban emissions because of their high mileage, long operating hours, and concentration in densely populated areas. This leads to significant carbon emissions accounting for over 4% of the total emissions from cars in the UK[1], as well as local air pollution, and associated health impacts. In 2023, more than 13 cities in the UK exceeded the legal annual mean limit value for nitrogen dioxide. Current government estimates suggest that not all cities will be compliant until 2045[2]. Diesel taxis and PHVs are a major contributor to NO2 concentrations, which are particularly dangerous to children, the elderly and those with long term health conditions.

Yet licensing arrangements across England are fragmented. Transport for London (TfL) have introduced ambitious vehicle standards (see case study below), while others permit older, more polluting vehicles to remain in service. Cross-border licensing further undermines local standards: drivers can register vehicles in one area and operate in another, bypassing stricter local rules.

This has left licensing authorities with less control over one of the most important levers available to them for improving local air quality and cutting transport emissions. Cities and combined authorities are tasked with delivering clean air plans and supporting national carbon budgets, but their ability to shape the taxi and PHV fleet is weakened by loopholes that allow drivers licensed elsewhere to still operate in their area of administration.

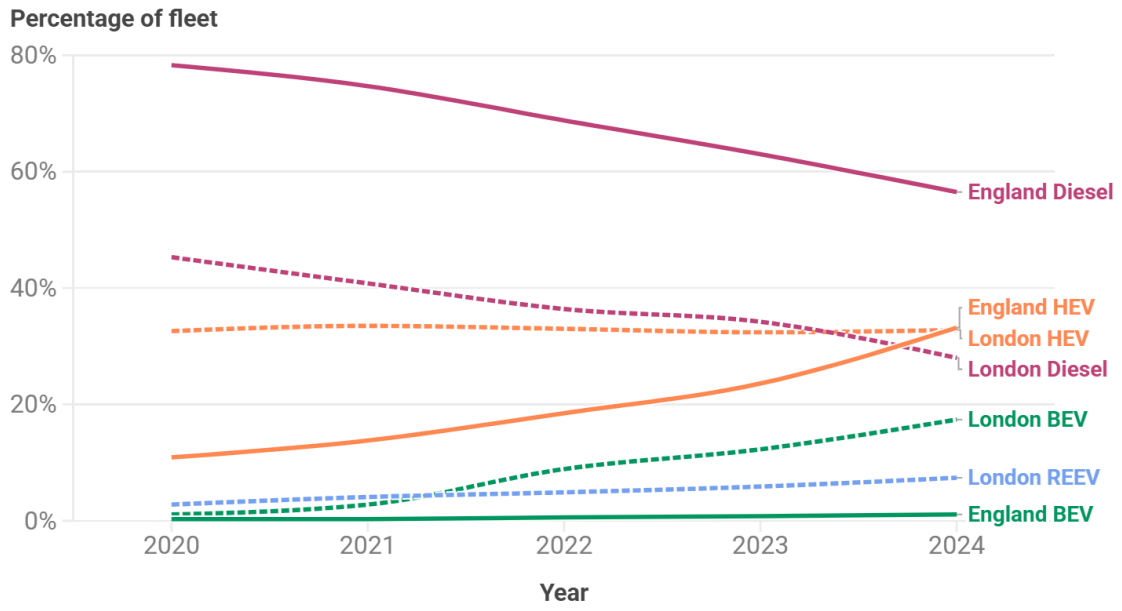
The consequences go beyond emissions. Drivers themselves are caught in uncertainty, with uneven vehicle requirements (leading to unfair competition) affecting investment decisions and undermining the transition to electric electrification. For regulators, the current system is inefficient and reactive, leaving authorities unable to plan for fleet renewal in line with clean air targets.

The outcome is a patchwork system that has stalled electrification outside London. T&E UK analysis of DfT data shows that 1 in 5 PHVs in London are now battery electric, compared to just 1 in 100 elsewhere in England. This disparity reflects poorly on the regulatory framework, not driver or passenger demand.

[1] As percentage of total emissions from cars in 2024 given by the CCC
[2] Healthy Air Coalition (2025) Making Britain's air cleaner, healthier and better to breathe

Strong policy means London is far ahead of the rest of England in driving up the use of BEV Taxi and PHV

Share of Taxi and Private Hire Vehicle fleet by vehicle fuel type and location



Source: DfT data table Taxi0117

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Without reform, licensing authorities will remain unable to use taxi and PHV regulation to deliver their air quality, health, and climate responsibilities, and the government UK will continue to miss a major opportunity to cut emissions from one of the most visible and intensive transport sectors.

Proposal: National standards to achieve clean fleets

We propose that the Government introduce national minimum vehicle standards for taxis and PHVs:

- **From 2028, all newly licensed taxis and PHVs must be zero emission vehicles.**
- **From 2028, a 10-year maximum age limit should apply to all non-BEV taxis and PHVs, ensuring that the most polluting vehicles are retired.**

This dual approach would:

- Provide a predictable and fair pathway for the sector, while allowing ambitious licensing authorities to go further.
- Ensure taxis and PHVs, given their high mileage, make an early and visible contribution to UK decarbonisation ahead of the ZEV mandate.
- Establish a national roadmap that gives certainty to licensing authorities, manufacturers, charge point operators, and drivers.
- Stimulate demand for new and second-hand BEVs, improving affordability across the market and supporting a faster national transition.

Impact: Cleaner air, faster electrification, sector certainty

Boost for British manufacturing

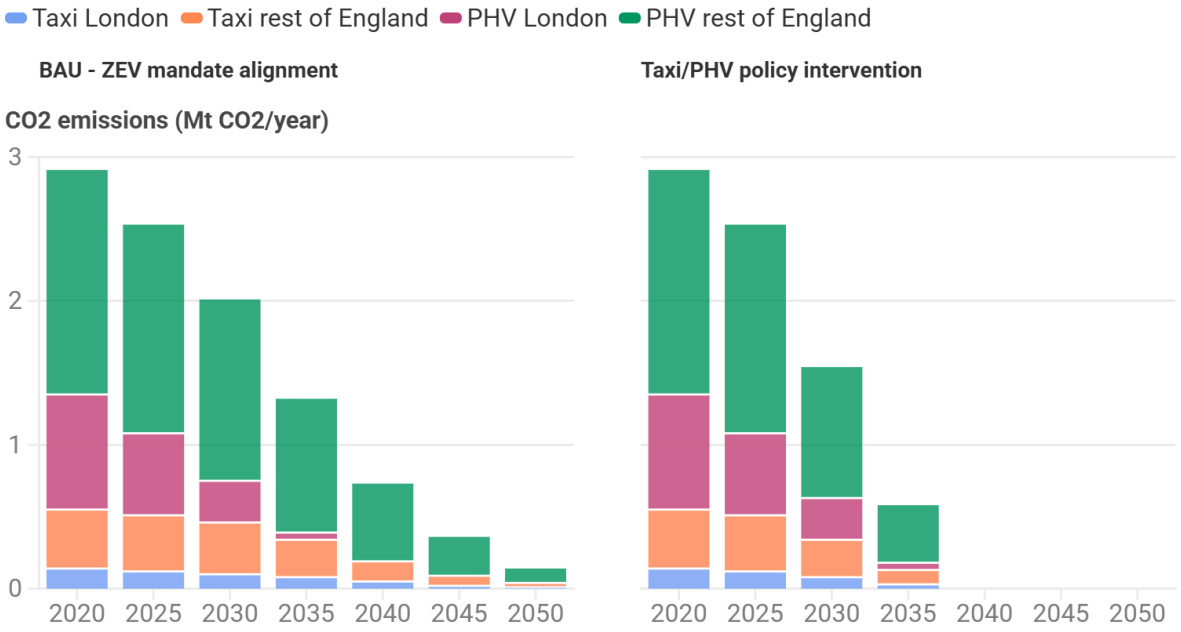
Stronger regulation on new BEVs would also provide a direct boost to British manufacturing and help sustain growth in the EV market. In London, around 5% of all PHVs and taxis are Nissan Leafs[3], a clear indication of the model's popularity with drivers. The next generation of the Leaf will be produced in Sunderland, meaning regulatory certainty could translate into industrial benefits. By requiring all new registrations to be zero emission, government would support the rollout of new BEV models, increase sales in line with ZEV mandate targets, and strengthen the domestic supply chain. An ambitious target date of 2028 could accelerate demand by thousands of vehicles, with UK-built models among the primary beneficiaries.

Accelerated emissions reduction

This proposed reform would bring forward the date at which taxis and PHVs contribute to net zero by almost a decade, while reducing cumulative emissions in the 2030s, crucially supporting the UK to meet its carbon budgets. The chart below compares current projections with the introduction of new 2028 standards.

[3] TfL (2025) Taxi and PHV fleet data

National vehicle standards would rapidly accelerate the progress to net-zero for taxis and PHVs



Source: BAU scenario based on the direct impact of the ZEV mandate (Taxi/PHV currently lagging car market by 4 years for BEV uptake and this is assumed to continue). Policy intervention, a 2028 EV-only licensing requirement and 10-year age cap

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Current pathway (left): under existing rules, CO_2 emissions from taxis and PHVs remain significant into the mid-2030s, particularly in regions outside London where uptake is slow.

Proposed pathway (right): a 2028 EV-only licensing requirement and a maximum 10-year age limit for ICE vehicles accelerates reductions, delivering near-zero emissions from the sector before 2040.

Better public health

A regulated phase-out of diesel taxis will support reductions in nitrogen dioxide, helping cities comply with long-overdue legal limits and secure progress towards achieving World Health Organization guidelines. Phasing out the licensing of new diesel and petrol taxis and PHVs will support efforts to reduce air pollution levels and crucially protect public health, as has been achieved in London (see case study).

Certainty for drivers

For drivers, clear national rules on vehicle age limits and the transition to zero-emission vehicles would provide the certainty needed to make informed financial decisions. By introducing a

uniform 2028 zero-emission mandate and a maximum 10-year age limit for ICE vehicles, government would set a predictable pathway, enabling drivers to plan purchases, spread costs, and invest with confidence in the vehicles that will remain compliant and competitive in the years ahead.

Equally important is protecting drivers from being misled into purchasing plug-in hybrids (PHEVs). Despite being marketed as "low-emission", PHEVs perform poorly in real-world conditions, emitting on average 3.5 times more CO_2 than official test figures suggest[4]. For the average driver this can result in additional running costs of up to £850 more than expected[5]. This figure can be expected to be substantially larger for high-mileage taxi and PHV drivers where the very limited PHEV electric range significantly limits the share of electric driving. Many PHEVs are also more expensive to purchase than equivalent BEVs, meaning drivers risk paying more upfront and more at the pump. Stronger regulation would prevent PHEVs being treated as a transitional solution, giving drivers clarity that only full BEVs represent the lowest-cost, futureproof option.

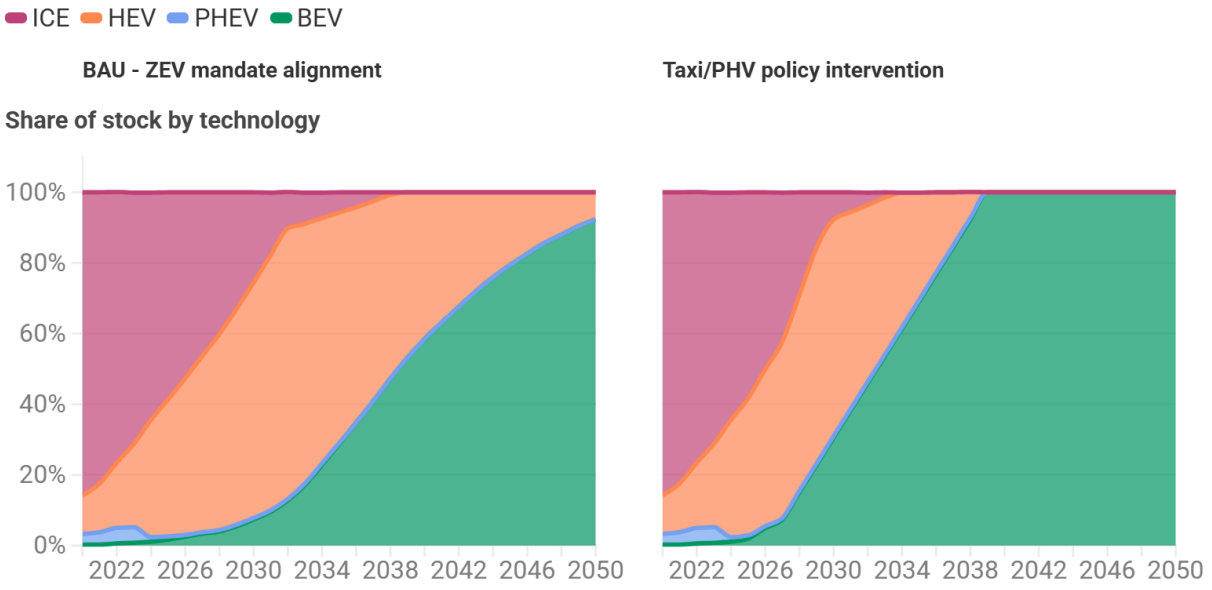
Certainty for industry

A more definitive policy pathway towards the electrification of taxi and private hire vehicles in major urban areas would help the government and manufacturers to keep on track towards EV sales targets laid out in the ZEV mandate, as well as boosting investor confidence amongst charge point operators. Most recently, black cab manufacturer LEVC have voiced concerns[6] about the GMCA's decision to delay the implementation of the region's Clean Air plans, as well as Manchester City Council's decision to extend the vehicle age limit to 17 years.

[4] EEA (2023) Real-world CO2 emissions from cars and vans
[5] ECIU (2025) Motorists 'could save £850 a year by choosing an electric car over a hybrid'
[6] LEVC (2025) Statement on Greater Manchester 'Clean Taxi Fund' delay

National emission standards for Taxi and PHVs would boost the uptake of electric vehicles and help the sector to lead instead of lag

Impact of policy changes on the Taxi and PHV stock in England outside of London



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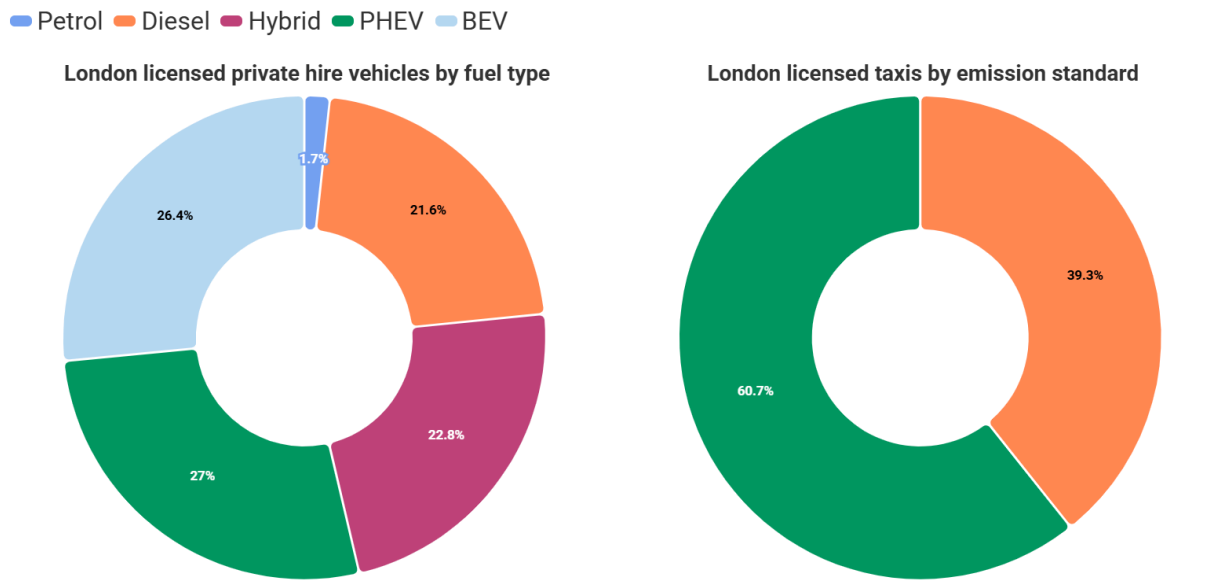
Case study: London

In London, successive Mayors have championed a policy developed by the local regulator, TfL, which has phased in emissions requirements for taxi and private hire vehicles to be 'zero emission capable'. These requirements have delivered a step-change in the rate of electrification amongst taxi and private hire drivers and operators in the capital (full licensing information is here). The sheer size of the region under TfL's jurisdiction will have likely limited the extent to which cross border licensing has undermined these efforts. However, cross border licensing remains an ongoing challenge for the capital (TfL's position here).

Since 2018, all taxis presented for licensing in London for the first time have needed to be 'zero emissions capable', which effectively banned new diesel taxis. These requirements, coupled with local and national financial incentives and a maximum vehicle age limit, sparked a major investment in Coventry by manufacturer Geely / LEVC and has led to 60.7% of taxis in the capital driving a range extended electric vehicle as of January 2025.

Similar requirements were phased in for private hire vehicles from 2020, with all newly licensed vehicles needing to be zero emission capable from 2023. These requirements, also coupled with

national purchasing grants and a maximum age limit, have led to 53.4% of private hire vehicles being either battery electric or plug-in hybrid as of January 2025.



Source: TfL Taxi &PHV action plan, March 2025

Furthermore, the policy sparked private operators to respond with investment packages and ambitious targets. Uber's 'Clean Air Plan' created a fund to help drivers switch to electric vehicles (presently £3k off the price of an EV) and to support their ongoing vehicle costs, as well as charging infrastructure investment. The £145 million fund was accumulated by applying a 15p Clean Air Fee on rides in London over the course of a few years. Crucially, this did not exist prior to the policy being in place and it is yet to be replicated in other cities.

TfL's policies are forecast to deliver a substantial reduction in harmful emissions from the taxi and private hire fleet by the end of the decade.

NOx emissions (tonnes/year) - Greater London (GLA only)

	2019	2022	2025	2030	2019-2030
Taxi	727.6	436.3	327.7	125.6	-83%
PHV	364.4	185	122.2	39.7	-89%

PM2.5 emissions (tonnes/year) - Greater London (GLA only)

	2019	2022	2025	2030	2019-2030
Taxi	25.97	12	10.67	8.2	-68%
PHV	33.6	20.14	18.26	15.03	-55%

CO2 emissions (tonnes/year) - Greater London (GLA only)

	2019	2022	2025	2030	2019-2030
Taxi	169,953	111,923	100,868	59,559	-65%
PHV	191,659	173,565	96,987	44,189	-77%

Source: London Atmospheric Emissions Inventory 2022

TfL has committed to consult on a new zero emission requirement for both taxi and private hire vehicles in 2025/26, which will be an important step to phasing out the internal combustion engine. This case study shows how limiting or ending cross border licensing will enable other city leaders to follow a similar policy pathway to the capital, which would in turn deliver a step change in the number of electric vehicles in urban areas outside of London.

Glossary

ICE - Internal Combustion Engine
HEV - Hybrid Electric Vehicle
PHEV - Plug-in Hybrid Electric Vehicle
REEV - Range Extender Electric Vehicle
BEV - Battery Electric Vehicle
ZEV - Zero Emission Vehicle

About us

We are the national office of the European clean transport NGO T&E whose aim is to achieve a zero-emission mobility system that is affordable and has minimal impacts on our health, climate and environment and is accessible to all.

https://www.transportenvironment.org/te-united-kingdom

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