



# A guide for applicants who are applying for a London private hire operator's licence

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## Part 1 - Introduction

The Private Hire Vehicles (London) Act 1998 provides for the licensing and regulation of London private hire vehicles (PHVs), and the drivers and operators of such vehicles.

The purpose of regulation is to give Londoners confidence, when they use a licensed private hire operator, that they are using the services of an honest, professional organisation with safe drivers and vehicles.

Transport for London (TfL) is the licensing authority. The administration of the licensing process is carried out by TfL's Taxi and Private Hire department (TPH), formerly known as the Public Carriage Office.

It is an offence for an organisation based in London to operate private hire vehicles without having obtained a licence to do so. It is also illegal for a licensed operator to carry out private hire bookings using drivers and vehicles that are not appropriately licensed.

This guidance document contains advice and guidance on applying for a London PHV operator's licence. Information on how to apply for a London PHV driver's licence or licence a vehicle for private hire purposes in London can be found on our website at [www.tfl.gov.uk/tph](http://www.tfl.gov.uk/tph).

We recommend that you frequently visit [www.tfl.gov.uk/tph](http://www.tfl.gov.uk/tph) for regular updates. If you would like information about the responsibilities of a licensed operator in advance of submitting your application, visit [www.tfl.gov.uk/ph-operators](http://www.tfl.gov.uk/ph-operators) for a copy of the PHV Operator's Handbook.

## Part 2 - Key definitions in the London private hire legislation

Private hire vehicle (PHV) means a vehicle constructed or adapted to seat fewer than nine passengers which is made available with a driver for hire for the purpose of carrying passengers, other than a licensed taxi or a public service vehicle.

Operator means a person who makes provision for the invitation or acceptance of, or who accepts, private hire bookings.

Private hire booking means a booking for the hire of a PHV for the purpose of carrying one or more passengers (including a booking to carry out as sub-contractor a private hire booking accepted by another operator).

Operating centre means premises at which private hire bookings are accepted by an operator.

## Part 3 - Who is the operator?

The [Private Hire Vehicle \(London\) Act 1998](#) empowers TfL to grant a PHV operator's licence to any 'person' (legal entity) that it considers fit and proper to hold such a licence.

London PHV operator's licences are not transferable so it is important that the correct 'person' (legal entity) applies for the licence. While this list is not exhaustive, the most common types of applicants are sole traders, 'ordinary' partnerships, limited liability companies and limited liability partnerships (LLPs).

Where an application is successful and the applicant is:

- a sole trader, the licence will be issued in the name of the individual who applied for it
- an 'ordinary' partnership, the licence will be issued in the partnership's name as specified in its application
- a limited liability company or LLP, the licence will be issued in the company's / LLP's registered name. You should also be aware that, once licensed, any change to the structure of your business will require a new licence

For example, if a sole trader incorporates their business as a limited liability company, they will need to have applied for and been granted a licence on behalf of their new company before it takes over legal responsibility for the private hire business.

If you are unsure as to how to structure your business, you should seek advice from an accountant or solicitor.

Figure 1: An example of a licence granted to an individual

Figure 1 is an example of a licence issued to an individual called John Smith.

As you can see, John Smith has two trading names; one for each element of his private hire business.

In this instance, as John Smith is solely responsible for the business in question, he would have applied as a sole trader.

It is open to John Smith to apply to add additional operating centres to his licence as long as he will be solely responsible for any private hire bookings accepted at those centres

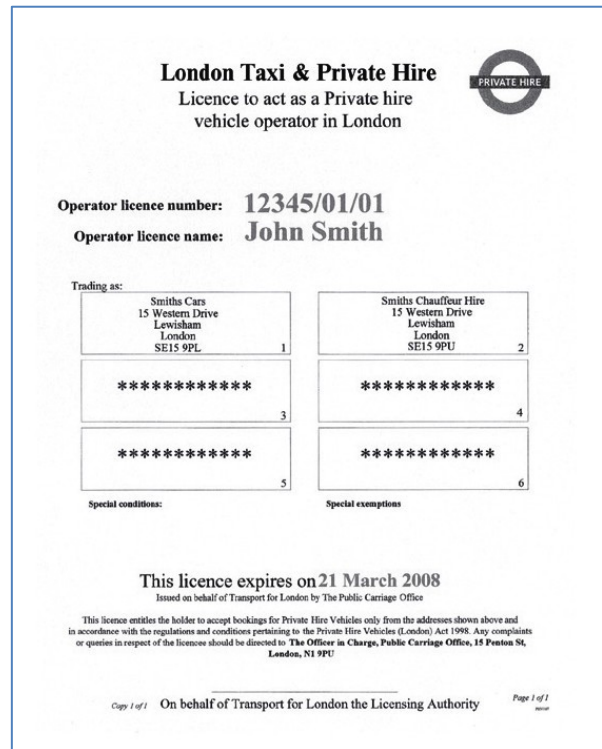


Figure 2: An example of a licence granted to a limited liability company

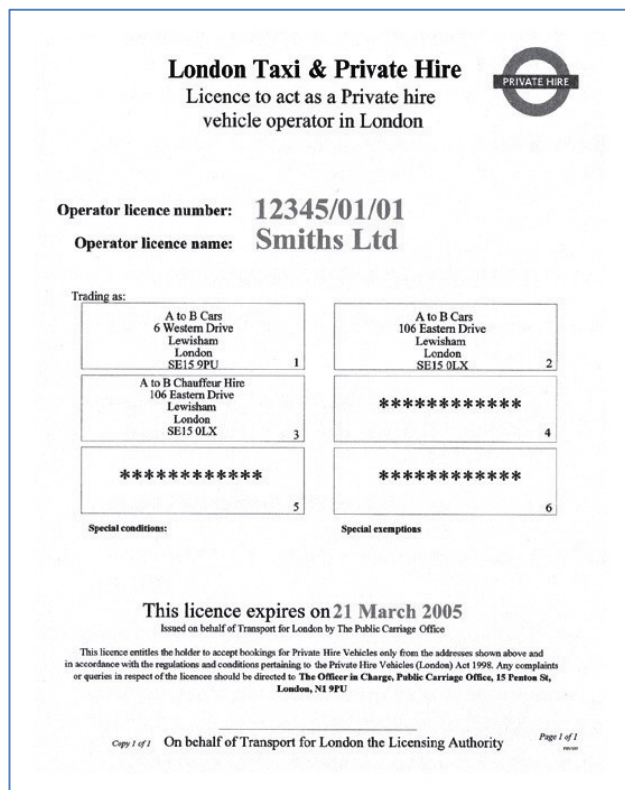


Figure 2 is an example of a licence issued to a limited liability company called Smiths Ltd. If the licence had been issued to an LLP it would have the word 'LLP' at the end of its name.

In this instance, Smiths Ltd run a minicab firm (A to B Cars) from two operating centres. The company also runs a chauffeur service (A to B Chauffeur Hire) from one of those centres. Smiths Ltd is legally responsible for all private hire bookings accepted at both centres.

Limited liability companies and LLPs are incorporated with Companies House and will have a registered number, which is a unique identifier, and registered office.

A licence granted to a company or LLP may only be used by the company LLP

with the registered number that was specified in the application.

If a licensed company or LLP is liquidated or dissolved, its licence must be returned to our offices within 7 days of that event.


Any change of director designated member must be notified to our offices.

Figure 3: An example of a licence granted to an ordinary partnership

Figure 3 is an example of a licence granted to an ordinary partnership. Such a body is not registered with Companies House and will consist of two or more persons who are all responsible for the business.

All partnerships are advised to draw up a written partnership agreement before they apply for a licence.

Any change in the makeup of a licensed partnership must be notified to this office immediately

<b>London Taxi &amp; Private Hire</b> Licence to act as a Private hire vehicle operator in London					
<b>Operator licence number: 12345/01/01</b>					
<b>Operator licence name: A to B Cars</b>					
Trading as:					
<table border="1"><tr><td>A to B Cars 6 Western Drive Lewisham London SE15 9PU</td><td style="text-align: right;">1</td></tr></table>	A to B Cars 6 Western Drive Lewisham London SE15 9PU	1	<table border="1"><tr><td>A to B Cars 106 Eastern Drive Lewisham London SE15 0LX</td><td style="text-align: right;">2</td></tr></table>	A to B Cars 106 Eastern Drive Lewisham London SE15 0LX	2
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*****	5				
*****	6				
Special conditions:	Special exemptions				
<b>This licence expires on 21 March 2005</b> <small>Issued on behalf of Transport for London by The Public Carriage Office</small>					
<small>This licence entitles the holder to accept bookings for Private Hire Vehicles only from the addresses shown above and in accordance with the regulations and conditions pertaining to the Private Hire Vehicles (London) Act 1998. Any complaints or queries in respect of the licence should be directed to <b>The Officer in Charge, Public Carriage Office, 15 Penton St, London, N1 9PU</b></small>					
<small>Copy 1 of 1 On behalf of Transport for London the Licensing Authority</small>		<small>Page 1 of 1</small>			

## Part 4 - Fit and proper person criteria

Listed below are the administrative rules which the licensing authority will follow in reaching decisions on applications for operator's licence(s), on specific conditions on individual licences in specific circumstances and on the arrangements in connection with the introduction of the licensing system.

### 4a - Administrative rules

Criteria for assessing operator's licence(s) applications

Section 3(3) (a) \*\* - the applicant must be a "fit and proper" person. In order to be considered as such, applicants will be expected to demonstrate that they have complied with other legal requirements connected with running a business. Failure to do so could result in the refusal of an application.

Where licences have been issued and breaches of such requirements are found, so that the licence holder is no longer considered "fit and proper", the licence could be suspended or revoked.

- Convictions: subject to the Rehabilitation of Offenders Act 1974 applicants\* must declare any current convictions
- Bankruptcy: applicants\* must declare whether they have had a discharge suspended for failing to co-operate with the Official Receiver
- Company directorship: applicants\* must declare whether they have ever had a disqualification order under the Company Directors Disqualification Act 1986 made against them, thereby disqualifying them from being a director, or taking part in the management, of a limited company
- Health and Safety: applicants must be able to show that they are complying with any requirements applicable to their premises, their staff or the public, e.g. environmental health, fire safety
- Accounts: if required, applicants must provide evidence that they comply with the requirements for audited or certified accounts: and, if applicable, provide evidence that the business is VAT registered or awaiting VAT registration
- Insurance: applicants must provide evidence that, where required, they are maintaining a policy of employers' liability insurance



- **Planning Permission:** applicants must provide proof that the operating centre complies with local planning regulations. This can be proof that planning permission has been granted by the local authority; or a Certificate of Lawful Use from the local authority which allows the premises to be used as an operating centre without planning permission; or proof (i.e. local authority planning application number) that planning permission or a Certificate of Lawful Use has been applied for.

This can also be proof from the owner or landlord of the premises confirming that the proposed use of the premises is lawful where the local authority is unable to confirm the permitted use of the premises.

- **Right of abode and to work:** applicants must supply evidence of their right to work and reside in the UK. (This will be according to the list of specified documents as listed in the Home Office publication 'Guidance for Licensing Authorities to prevent illegal working in the taxi and private hire sector in England and Wales').
- **Previous applications:** if anyone named on an application has previously been refused a driver's or an operator's licence or held a driver's or an operator's licence which was suspended or revoked elsewhere in the country, they will be expected to supply details of the refusal, suspension or revocation upon application.

Operator licensing conditions: Section 3(4) \*\* - operator's licence(s) granted subject to "such other conditions as the Secretary of State may think fit.

Specific conditions may be applied to individual licences in specific circumstances. These will be detailed on the licence issued.

Form of application: Section 15(l) \*\* - applications to be in such form and include such declarations and information as the Secretary of State may require.

Section 28 - a person who knowingly or recklessly makes a false statement or produces misleading material for the purpose of obtaining, renewing or varying a licence is guilty of an offence and subject to a fine.

It is intended that originals of certificates connected with an application may be checked upon inspection of an operator's premises. It is not expected that it will be necessary for them to be submitted upon application.

## Declarations

- The applicant for a licence or renewal or variation of a licence will be required to make a declaration that the information given on the form, and material provided, is true. If the declaration proves false or the material misleading, the licence, renewal or variation can be refused on the grounds that the person is not "fit and proper". Additionally, false information could lead to the suspension or revocation of any licence granted and to formal legal proceedings being initiated against the applicant.

## 4b - Operating centre inspections

As part of the consideration of your operator's licence application a TfL compliance officer will conduct an inspection of any operating centre(s) named in your application form. As part of this inspection you will be expected to provide evidence that you comply with all of the administrative rules listed above.

As part of that inspection you will be required to demonstrate that you are aware of the responsibilities of a licensed operator by showing our compliance officer:

- How you will record the required details of any bookings you may accept
- How you will record the required particulars of licensed drivers and vehicles you will have available to you for the purpose of carrying out private hire bookings
- How you will provide TfL with details of the drivers and vehicles you have available to fulfil private hire bookings, or have had available to fulfil bookings in a specified period
- How you will ensure that you do not use drivers or vehicles to discharge private hire bookings without the required particulars of those drivers and vehicles being kept on file
- Your procedure for dealing with complaints and how details of those complaints will be recorded
- Your procedure for dealing with lost and found property and how details of lost and found items will be recorded
- That you are aware of the retention periods for records of bookings, drivers, vehicles, complaints and lost property
- Your VAT registration document or, if you are not registered for VAT purposes, a letter from a qualified solicitor or other appropriate documentation to show that VAT registration is not necessary
- That you have a fixed landline telephone number for the purpose of accepting private hire bookings

- Your procedure for providing passengers an accurate estimate of the fare
- Your procedure for providing booking confirmation details to passengers prior to the commencement of the journey
- How you will ensure that you do not exceed the permitted number of private hire vehicles to carry out bookings, in accordance with your licence

The particulars that a licensed operator must keep in respect of bookings, drivers, vehicles, complaints and lost property are set out in part 14 of this booklet.

\*'Applicant' means any person named in the respective application.

\*\*'Section' references refer to the Private Hire Vehicles (London) Act 1998, a copy of which can be found on TfL's website.

A copy of the operator regulations and any amendments thereto, can also be found on [TfL's website](#).

## Part 5 - Operator drivers

A private hire operator's licence(s) does not entitle you to drive a private hire vehicle. If you wish to act as a private hire driver you must obtain a private hire driver's licence.

The regulations governing suitability to be a driver are quite distinct from those governing suitability to be an operator. Anyone intending to hold both forms of licence should be aware that it is quite possible you may be granted an operator's licence(s) but refused a driver's licence.

## Part 6 - Exemptions

Am I exempt from requiring a PHV operator's licence(s)? The chances are you are not exempt.

Private hire legislation and licensing applies to all vehicles constructed or adapted to seat fewer than nine passengers, which are made available with a driver for hire for the purpose of carrying passengers, other than a licensed taxi or a public service vehicle. Private hire vehicles cannot be used for private hire purposes unless booked through a licensed operator.

This means the legislation does not solely apply to 'minicab' companies. You require an operator's licence(s) if you supply limousines for corporate use, chauffeur services, diplomatic cars, or any instance where a vehicle is made available with a driver for hire and reward.

The only exemptions are those operating solely licensed London taxis (Hackney Carriages) and companies or individuals who supply vehicles solely for weddings and/or funerals.

If you are in any doubt as to whether you need to be licensed, contact us at [tph-operators@tfl.gov.uk](mailto:tph-operators@tfl.gov.uk) before submitting your application.

## Part 7 - Do I need an office?

The Act requires that you have at least one operating centre. An operating centre must be premises where your bookings are taken and where your records can be inspected. This can be your home address which in those cases would mean that your home will be your operating centre.

A TfL compliance officer will need to inspect your premises and record keeping facilities before a licence is issued. This inspection will take place once your initial application has been considered.

## Part 8 - Fees

We introduced changes to the structure and level of fees for London private hire operators. These changes are to ensure that we cover the costs of regulatory, licensing and enforcement activities associated with private hire operators, including both pre- and post-licensing costs. The changes came into force on 3 October 2017.

Operators are charged an application fee and a grant of licence fee which is proportionate to the regulatory, licensing and enforcement costs generated by operators with different fleet sizes.

The structure, along with associated fees, is as follows:

Number of PHVs	5 year fee (£)			Annual instalment (£)
	Application	Grant of licence*	Total	
0-10	400	1,600	2,000	N/A
11-20	1,200	4,800	6,000	N/A
21-50	3,800	15,200	19,000	3,040
51-100	6,000	24,000	30,000	4,800
101-500	30,000	120,000	150,000	24,000
501-1,000	70,000	280,000	350,000	56,000
1,001-10,000	140,000	560,000	700,000	112,000
10,001 or more	580,000	2,320,000	2,900,000	464,000

\* The grant of licence fee due is the fee at the time the licence is issued, regardless of when an application was made.

The above changes are made by [The Private Hire Vehicles \(London\) \(Operators' Licences\) \(Amendment\) \(No.2\) Regulations 2017](#) (the Regulations).

## Payments Options

Applicants must pay the application fee, in full, when submitting their application. Applications will not be processed until full payment of the application fee has been received.

Operators who have 21 or more private hire vehicles available to them to accept and carry out bookings can pay the grant of licence fee in annual instalments, by bank account transfer, for example CHAPS or by credit/debit card.

Payment details and options available are set out in the application form to become a licensed operator {PHV/I01}. During the application assessment stage, we will contact operators to discuss the payment options available.

For operators who opt to pay in instalments, we will take the fee for the first year on grant of licence, with subsequent fees due 14 days prior to the 1st, 2nd, 3rd, and 4th anniversary of the date of grant of licence.

The licence fees are based on a 5 year licence being issued.

## Part 9 - Duration of licence

If you are granted an operator's licence it will normally be valid for five years from the date it is granted. You will only be licensed for less than five years if we decide there are circumstances which demand the duration should be for a shorter period.

## Part 10 - The application forms

Once you have decided who the operator will be, you can complete your operator's licence set of application forms and submit these to us.

In order for us to consider your application, you will need to submit:

- A fully completed application form (PHV/I01),

In the application form (PHV/I01, you will be asked to confirm the identity of the legal entity that is applying for a licence and provide information about that person, including the details of all premises (operating centres) in London that they would like to operate private hire vehicles from.

Where the applicant is a sole trader that declaration must be signed by the person requiring a licence; where the applicant is a partnership it must be signed by one of the partners of the firm applying for a licence; for all other types of applicant, it must be signed by a director equivalent of the body that is applying for a licence (e.g. in a limited liability partnership, a designated member must sign the declaration in form PHV/I01).

- A fully completed personal declaration form (PHV/I03) from each individual associated with the application

In the personal declaration form (PHV/I03), each individual associated with the licence will be required to provide relevant personal information about themselves and their history.

As stated above, an operator's licence application must be accompanied by a personal declaration form (PHV/I03) from each person named therein. This is so that we may assess the fitness of the applicant to be licensed.

- A fully completed operating centre information form (PHV/I08) for every premises (operating centre) you would like to operate private hire services from.
- A payment for the appropriate fee – See Part 8 for further information

A pre-licensing inspection will be conducted as part of the process of reviewing your submitted application. Therefore, it is important that you complete and submit your renewal application as soon as you can.

Any delay to the submission of your application may result in a delay in your application being fully assessed and may affect your ability to begin trading.

For applicants seeking to renew an existing licence, any delay to the submission of the application may result in a delay in the application being fully assessed and may affect the ability to continue trading.

## Part II - Submitting your application

Before you submit your application form, please ensure that you can answer 'yes' to the following questions.

1. Have you read the guidance contained within this document (PHV/I02)?	<input type="checkbox"/>
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2. Have you completed and signed all of the required sections of the operator's licence application form (PHV/I01 or PHV/I01R)	<input type="checkbox"/>
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3. Have you enclosed a completed and signed Personal Declaration form (PHV/I03 or PHV/I03R) for each individual associated with the application?	<input type="checkbox"/>
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4. Have you completed and signed the Operating Centre Information form (PHV/I08 or PHV/I08R) for every premises you wish to operate from	<input type="checkbox"/>
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5. Have you enclosed a payment for the full application fee? This fee will be required in order for your application to be assessed.	<input type="checkbox"/>
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If you have answered 'Yes' to every question, then you may submit your application.



## Part 12 - Reviewing your application

When assessing an application for a London private hire operator's licence, we will consider whether the individual(s) associated with the licence are suitable for licensing and meets the required 'fit and proper' criteria.

The assessment of these individuals is based on the information provided within the personal declaration (PHV/I03 form(s) submitted in support of the application, as well as any declared or known previous history with TfL, including whether there are any outstanding debts or monies owed to TfL.

If the individual(s) associated with the licence are considered suitable for licensing, we will then consider whether the proposed operating centre will be suitable for licensing. The assessment of the centre(s) is based on the information provided within the PHV/I08 form(s) submitted in support of the application, as well as any declared or known previous history with TfL.

If both the proposed individual(s) associated with the licence and operating centre(s) are deemed satisfactory, the application will proceed to the next stage of the licensing process - the pre-licensing inspection.

### Pre-Licensing inspection

There is a requirement for a pre-licensing inspection to be carried out at all of the proposed operating centre(s).

This is part of the information gathering exercise to ensure that both you and the operating centre are 'fit and proper' to be licensed.

If the pre-licensing inspection is found to be satisfactory, we will then consider the whole of the application and determine whether a licence can be issued. This assessment will include any supporting information that may be provided for an application.

If your application to become a licensed operator is not successful, the refusal letter will contain information of your right to appeal our decision.

## Part 13 - Licensing decision and issue of licence

After reviewing your application we will notify you of our decision. If you are successful we will send your licence with an accompanying letter which will set out the obligations and conditions you must adhere to as a licensed operator.

If your application is not successful we will write to you and explain why. You have the right to appeal to a magistrate's court if you do not agree with our decision. Further information on how to appeal and associated timescales will be included within this letter.

Should your application be successful, once the licence is granted you will need to adhere to the following conditions.

Summary of the conditions attached to every London PHV Operator's licence for licensed operators:

1. shall maintain public liability insurance cover, which has a minimum indemnity of £5m in respect of any one event, for any of the operating centres specified in his licence that is accessible to members of the public
2. shall agree the fare for the journey booked or provide an accurate estimate of that fare
3. where the licence holder is convicted of an offence must, within 14 days, inform TfL of the details of the conviction. This applies to all persons associated with the licence (e.g. all of the directors of a limited liability company)
4. shall notify TfL of any material change to its operating model that may affect the operator's compliance with the Private Hire Vehicles (London) Act 1998, the Private Hire Vehicles (London) (Operators' Licences) Regulations 2000 or its licensing conditions
5. shall notify TfL of any material changes to the information provided in the application for his licence, or any application to vary that licence, within 14 days of the change
6. who dismisses a driver for unsatisfactory conduct in connection with the driving of a private hire vehicle must inform TfL of the name of the driver and the circumstances of the case, within 14 days of the driver's dismissal
7. shall not use CB apparatus in connection with his private hire business
8. must have and maintain effectively, a procedure for dealing with complaints. As part of this obligation, the operator must record and retain the prescribed particulars of any complaints they receives

9. must have and maintain effectively, a procedure for dealing with property left behind by customers in his cars or operating centres. As part of this obligation, the operator must record and retain the prescribed particulars of any property that is found or reported missing to them
10. must charge a fare in accordance with his fare structure for PHVs when using a London licensed taxi to carry out a booking, unless the fare shown on the taxi's meter is less
11. must provide TfL with such particulars of drivers and vehicles as may be required by TfL from time to time
12. must not have more than the maximum number of vehicles available to them to carry out bookings accepted by them at all the operating centres specified in the licence. The maximum condition will not apply to operators who hold a licence for 10,001 or more vehicles and
13. if eligible and has opted to pay the grant of licence fee by annual instalments, the annual licence fee must be paid not later than 14 days before the end of the one-year period from when the licence was granted.

As well as these general conditions, we may also attach specific conditions to your licence in certain circumstances. If we do so, we will explain what these conditions are when issuing your licence.

It is important that you adhere to all the conditions on your licence. If you do not then we may take licensing action which could include suspension or revocation of your private hire operator's licence.

## Upload of driver and vehicle information

All licensed operators are required to provide the details of the vehicles and drivers that have been used to fulfil bookings or that have been available to fulfil bookings on a weekly basis as part of the operator upload under regulation 9(12) of the Private hire Vehicles (London) (Operators' Licences) Regulations 2000.

We will use the information provided for data analysis, including assessing whether the operator is operating at or below the maximum number of vehicles for their tier.

We may also confirm compliance by inspecting records retained at an operating centre.

## Part 14 - Record keeping requirements

As an organisation that processes personal data you are legally obliged to register with the Information Commissioner's Office (ICO). The ICO is the independent regulator for information rights and maintains a [national register of data controllers](#) which you must register with.

Please note: It is a criminal offence if you do not register

More information on your obligations are available at [www.tfl.gov.uk/privacy](http://www.tfl.gov.uk/privacy). We also recommend that you read 'Privacy and data protection – A guide for private hire operators' which is available at [www.tfl.gov.uk/tph](http://www.tfl.gov.uk/tph)

### Bookings

Before the commencement of each journey booked at an operating centre specified in his licence, a licensed London PHV operator must record in the record that he is required to keep under section 4.(3)(b) of the 1998 Act, the following particulars of each booking he has accepted there:

- a) the date on which the booking is made and, if different, the date of the proposed journey
- b) the name of the person for whom the booking is made or other identification of them, or, if more than one person, the name or other identification of one of them
- c) the agreed time and place of collection, or, if more than one, the agreed time and place of the first
- d) the main destination specified
- e) the agreed fare or an accurate estimate of the fare with the person making the booking
- f) the name of the driver carrying out the booking or other identification of them
- g) if applicable, the name of the other operator to whom the booking has been sub-contracted and
- h) the registered number of the vehicle to be used or such other means of identifying it as may be adopted

Retention period for booking records - 12 months from the date on which the booking was accepted.

## Drivers

A licensed London PHV operator must keep at each specified operating centre, records of the drivers who are available to them for carrying out bookings accepted by them at that centre. The particulars that they must keep of each driver are:

- a) surname, forenames, address and date of birth
- b) national insurance number
- c) photocopy of their driving licence
- d) copy of their London PHV driver's licence
- e) photograph of them
- f) the date on which they became available to the operator and
- g) the date on which they ceased to be so available

Retention period - 12 months from the date on which the driver ceased to be available for carrying out bookings

If a driver becomes unavailable by virtue of his or her unsatisfactory conduct in connection with the driving of a private hire vehicle the operator must notify us of that fact and the circumstances of the case within 14 days.

## Vehicles

A licensed London PHV operator must keep at each specified operating centre, records of the private hire vehicles which are available to them for carrying out bookings accepted by them at that centre. The particulars that he must keep of each vehicle are as follows:

- a) the make, model and colour
- b) the registration mark
- c) the name and address of the registered keeper
- d) a copy of the vehicle's London PHV licence
- e) in the case of a vehicle to which paragraph 8(l) of Schedule 2 of the Private Hire Vehicles (London PHV Licences) Regulations 2004 applies, a copy of the certificate issued in accordance with those regulations
- f) a copy of the current certificate of insurance or certificate of security
- g) the date on which the vehicle became available to the operator and
- h) the date on which the vehicle ceased to be so available

Retention period - 12 months from the date on which the vehicle ceased to be available for carrying out bookings

## Complaints

A licensed London PHV operator must keep at each operating centre specified in his licence a record containing –

- the particulars set out in lines a) to f) below of any complaint made in respect of a private hire booking accepted by them at that centre and
  - the particulars set out in lines d) to f) below of any other complaint made in respect of his undertaking as an operator at that centre
- a) the date of the related booking
  - b) the name of the driver who carried out the booking
  - c) the registration mark of the vehicle used
  - d) the name of the complainant and any address, telephone number or other contact details they provided
  - e) the nature of the complaint and
  - f) details of any investigation carried out and subsequent action taken as a result

Retention period - 12 months from the date on which they were entered in the respective record.

## Lost property

A licensed London PHV operator must keep at each operating centre specified in their licence a record, containing the particulars set out in lines a) to e) below, of any lost property found at that centre or in any private hire vehicle used to carry out a booking accepted by them.

- a) the date on which it was found
- b) the place where it was found and, if it was found in a vehicle, the registration mark of that vehicle
- c) a description of the item
- d) evidence to show that, where practical, an attempt was made to return the item to the owner and whether or not this was successful and
- e) in the case of any unclaimed item which has been disposed of, how it was disposed of

Retention period - 12 months from the date on which they were entered in the respective record.

## Appendix A - Fees

We have introduced changes to the structure and level of fees for London private hire operators. These changes are to ensure that we cover the costs of regulatory, licensing and enforcement activities associated with private hire operators, including both pre- and post-licensing costs. The changes came into force on 3 October 2017.

Operators are charged an application fee and a grant of licence fee which is proportionate to the regulatory, licensing and enforcement costs generated by operators with different fleet sizes.

The structure, along with associated fees, is as follows:

Number of PHVs	5 year fee (£)			Annual instalment (£)
	Application	Grant of licence*	Total	
0-10	400	1,600	2,000	N/A
11-20	1,200	4,800	6,000	N/A
21-50	3,800	15,200	19,000	3,040
51-100	6,000	24,000	30,000	4,800
101-500	30,000	120,000	150,000	24,000
501-1,000	70,000	280,000	350,000	56,000
1,001-10,000	140,000	560,000	700,000	112,000
10,001 or more	580,000	2,320,000	2,900,000	464,000

\* The grant of licence fee due is the fee at the time the licence is issued, regardless of when an application was made.

The above changes are made by [The Private Hire Vehicles \(London\) \(Operators' Licences\) \(Amendment\) \(No.2\) Regulations 2017](#) (the Regulations).

### Payments Options

Applicants must pay the application fee, in full, when submitting their application. Applications will not be processed until full payment of the application fee has been received.

Operators who have 21 or more private hire vehicles available to them to accept and carry out bookings can pay the grant of licence fee in annual instalments, by bank account transfer, for example CHAPS or by credit/debit card.

Payment details and options available are set out in the application form to become a licensed operator {PHV/101}. During the application assessment stage, we will contact operators to discuss the payment options available.

For operators who opt to pay in instalments, we will take the fee for the first year on grant of licence, with subsequent fees due 14 days prior to the 1st, 2nd, 3rd, and 4th anniversary of the date of grant of licence.

The licence fees are based on a 5 year licence being issued.

### Which tier?

The Regulations prescribe the level of application and grant fees by reference to the number of private hire vehicles that an operator will have available for carrying out bookings.

Applicants are asked to state the number of PHVs they will have available to them at any one time during the currency of their licence by selecting the appropriate tier as part of their application.

The tier thresholds were designed to reflect the diversity of available fleet sizes for operators and to provide some leeway for operators to change the size of their fleet without requiring a new licence.

Once licensed, it is a condition of the licence for operators not to have more vehicles available to them than the maximum permitted within their tier. Applicants must therefore think carefully about how the number of vehicles they have available may change over time and take account of factors such as peaks and seasonal variations in their calculations.

If an operator who holds a licence expects to have more vehicles available than the permitted maximum, they will need to apply for a new licence, although they may be entitled to a refund for their existing licence (see below). Having more vehicles available than are permitted by your licence is a breach of the licence condition that could result in the licence being suspended or revoked.

Where an operator expects consistently to have fewer vehicles available than the permitted maximum such that they could operate in a lower tier, that operator may apply for a new licence and may be entitled to a refund for their existing licence.



We will support operators by providing an opportunity for them to discuss their application at the pre-licensing inspection stage and again prior to any fee being taken.

Below are some case studies to assist applicants in selecting the appropriate tier:

#### Case study 1: Seasonal

A private hire operator normally has 8 private hire vehicles available for most of the year. However, during the holiday period, the applicant expects to have 15 PHVs available. The applicant would need to apply for a licence in the 11-20 tier.

#### Case study 2: Merging operator businesses

Two private hire operators within the 11 to 20 tier merge. One has 11 vehicles available and the other has 15 vehicles meaning they have a combined fleet of 26 vehicles. The operator would need to re-apply for a licence in the higher 21-50 tier should they wish to have all 26 private hire vehicles available to them.

#### Case study 3: Expansion of business

An operator which has 5 vehicles is looking to increase its fleet size in the next 12 to 24 months. It may be more cost effective to apply for a higher tier than initially needed in the short term, so as to avoid the application fees associated with making a new application within the higher tier.

## Meaning of “available”

The number of vehicles an operator has “available” refers to the number of private hire vehicles that the operator can call upon to carry out a private hire booking at any one time.

Depending on an operator’s way of working, this could mean the number of vehicles on-call when a driver is doing a shift or the number of vehicles that are logged on to an online platform in anticipation of a booking. For the avoidance of doubt, it is not the total number of vehicles which have ever been available to an operator, for example, or the average number of vehicles during a fixed time period.

We recognise that an operator may use a large number of private hire vehicles over a given period but not all these private hire vehicles were available at any one time. We expect that operators will keep records, which can be made available to us, to evidence that the maximum number of private hire vehicles at any point in time remained at or below the maximum number permitted by the licence.

A private hire vehicle may be available to more than one operator at a point in time.

Only PHVs are to be considered available for the purposes of the above Regulations. Black cabs/Hackney carriages which are available to carry out private hire bookings are excluded from any calculation of available vehicles.

A vehicle carrying out a booking subcontracted from the operator who receives it to a second operator is only considered available to the second operator, that is, the operator which actually carries out that booking.

## Changes in operator fleet size

- Going up one or several tiers

It is a licence condition for operators to ensure that the number of private hire vehicles they have available at any time does not exceed the maximum number for which they were granted a licence. This maximum number is specified in the operator's licence. There is no maximum number for operators with over 10,001 private hire vehicles.

If an operator wishes to have more private hire vehicles available to accept bookings than the permitted maximum, they will need to apply for a new licence in the higher tier. A new application fee will need to be paid at the higher level along with the new grant of licence fee. Normally, a new 5-year licence will be issued.

Once a new licence in a higher tier has been issued, the operator will be able to surrender the old licence and obtain a refund of the grant of licence fee in respect of remaining full months on the licence that it has already paid.

If the operator fails to apply for or obtain a new licence but continues to trade with more than the maximum permitted number of private hire vehicles available to it, it will be in breach of a licence condition. This may lead to licensing action, which may include suspension and/or revocation of the licence.

- Going down one or several tiers

Operators are under no obligation to have a minimum number of private hire vehicles available. They do not need to apply for a new licence if they have fewer vehicles available than the minimum number for the tier in which they obtained their licence.

However, if an operator considers that, going forward, they will always have fewer vehicles available than the minimum number specified on its licence, the operator may wish to apply for a new licence at the lower tier.

A new application fee and, if the licence is granted, the lower grant of licence fee will be payable. However, the operator may obtain a refund of the grant of licence fee already paid in respect of full months remaining on the old licence.

If you are considering changing your licence for one at a lower tier, please contact the operator licensing team in the first instance.

- Short term changes in size

Where an operator has more than the permitted number of private hire vehicles available, even for only a short period, they are in breach of a condition of their licence and it is open to TfL to take licensing action.

The circumstance that the maximum number was exceeded only for a short period does not prevent the breach from occurring. It is also not a defence that the maximum number was exceeded only for a short period.

## Refunds

All application fees are non refundable. However, an application for a refund of the remaining part of the licence grant fee can be made where a licence is surrendered in order to change tier.

Refunds are calculated based on the number of whole months remaining on the licence at the point at which the licence is surrendered (and a new licence issued), for which a licence fee has been paid.

As an example, an operator with a 5-year licence in the 21-50 vehicle tier who pays by annual instalments and surrenders the licence after 2 years 6 months would receive a refund calculated as follows:

Grant of licence fee: £15,200 payable by annual instalments of £3,040. There is no refund for the payments at the time of grant (in respect of the first year) and after one year (in respect of the second year). The operator will have paid £3,040 after 2 years (in respect of the third year). If the licence is surrendered after 2 years and 6 months, a refund in respect of 6 months is due i.e. £1,520.

If the operator has paid the grant of licence fee (£15,200) in full at the grant of the licence, the refund would include the payments made in respect of years 4 and 5 i.e.  $(£3,040 \times 2) + £1,520 = £7,600$ .

## Appendix B - Frequently Asked Questions – Operator fees

### 1. How much will I have to pay?

You will need to pay a licence application fee when applying for a licence, and a grant of licence fee once your application has been processed and we issue you a licence. The operator fee structure is based on the number of private hire vehicles you have available to you for a private hire booking. See below for a full breakdown.

Number of PHVs	5 year fee (£)			Annual instalment (£)
	Application	Grant of licence*	Total	
0-10	400	1,600	2,000	N/A
11-20	1,200	4,800	6,000	N/A
21-50	3,800	15,200	19,000	3,040
51-100	6,000	24,000	30,000	4,800
101-500	30,000	120,000	150,000	24,000
501-1,000	70,000	280,000	350,000	56,000
1,001-10,000	140,000	560,000	700,000	112,000
10,001 or more	580,000	2,320,000	2,900,000	464,000

\* The grant of licence fee due is the fee at the time the licence is issued, regardless of when an application was made.

Remember, licence application fees and grant of licence fees are payable both by new applicants and those applying to renew a licence.

### 2. If I complete a variation to add another operating centre will my tier go up?

No, not because you add another operating centre.

However, if you are adding an operating centre because your business is growing, you must ensure that you have no more than the maximum number of private hire vehicles for your tier available to accept bookings. If you must move up a tier, a new application will be required, although you may be entitled to a refund of a proportion of the grant of licence fees you have paid on the existing licence.

3. I don't know what tier I should be applying for. Can you recommend which one I should apply under?

No. TfL is unable to recommend a suitable tier and expects applicants to consider their own business model and estimate the size of their business before applying for the correct tier.

TfL has provided mechanisms to move up and down between tiers, should an estimate prove incorrect, as explained above.

4. If I have to change my tier what do I need to do?

You will need to make a new application, which will require you to pay the relevant fees.

Please email us on [TPH.Operators@tfl.gov.uk](mailto:TPH.Operators@tfl.gov.uk) to explain the changes to your business that will result in the need to change tiers. A member of the team will contact you to guide you through the process.

This applies also if you wish to go down one or several tiers.

Whether you are moving down or up one or several tiers, if a new licence is obtained, a proportional refund of the grant of licence fee that has been paid for the existing licence will be made (corresponding to the remaining number of whole months on the existing licence).

5. Will you allow me to operate whilst you process my new updated tier application?

Yes, you will be able to continue trading whilst the application is processed. However, you may not exceed the maximum number of available private hire vehicles for your new tier until you receive a new licence.

6. Can I pay in instalments?

This depends on the number of vehicles available to you.

Applicants in the 0-10 and 11-20 tiers are required to pay the grant of licence fee in full before the licence is granted. (In practice, it is usually convenient and will minimise delay to pay it in full, along with the licence application fee, when you apply for a licence.) They cannot pay by instalments.

Applicants in all other tiers may pay the grant of licence fee by annual instalments. This is to help spread out the cost for those paying a larger amount.

7. What action will you take if I go over my tier?

Exceeding the maximum number of available vehicles for your tier would be a breach of your licence conditions. Any breach of the conditions of your licence may result in licensing action being taken, such as suspension or revocation of

the licence.

Nonetheless, TfL will seek to provide as much flexibility as possible in allowing operators to change tiers. TfL will assist operators in changing tiers so that they are able to work at the volume appropriate for their business.

8. This fee is too high and I am unable to pay

The fees have been approved following a full public consultation. If you wish to apply as a new operator or renew your current operator's licence, you will need to comply with all requirements, including the new fee requirements.

However, TfL has introduced payment of the grant of licence fee by instalments for all but the lowest two tiers, to minimise any financial burden.

9. Where can I find more details about this change?

For further information about the fees please refer to the proposals approved by the Finance Committee.

10. What is meant by "available for carrying out bookings"? When is this assessed?

"Available for carrying out bookings" means the private hire vehicles that an operator has available to discharge bookings.

For the purposes of identifying the tier for your licence, the maximum number of vehicles is the maximum at any point in time during the duration of the licence. This includes vehicles that are used to carry passengers and vehicles that are not used to carry passengers but available to do so.

11. How will you check this?

TfL will request new and renewing applicants to state in their application form the tier into which they expect to fall (and to explain this estimate). Operators declare the number of vehicles that they have used, or have had available, as part of the weekly upload. If this figure shows more vehicles available than the number permitted for that tier of operator, we may investigate further. We may also take account of information gathered during compliance and enforcement activity.

However, TfL recognises that operators are likely to have more drivers in their upload than they have available for carrying out bookings at any one time.

## Further information

Links to further information:

[Operator fees consultation](#)

[Proposals approved by Finance Committee](#)

[TPH Notice relating to the implementation of New Taxi and Private Hire Licence Fees](#)

For further information, including how to apply for an operator's licence, please visit [www.tfl.gov.uk/tph](http://www.tfl.gov.uk/tph)

Operator licensing:

Email: [tph-operators@tfl.gov.uk](mailto:tph-operators@tfl.gov.uk)

Web: [www.tfl.gov.uk/tph](http://www.tfl.gov.uk/tph)