



Please reply to:

Contact: Christeen Abee
Service: Committee Services
Direct Line: 01784 446224
E-mail: c.abee@spelthorne.gov.uk
Date: 24 September 2025

Notice of meeting

Licensing Committee

Date: Thursday, 2 October 2025

Time: 7.00 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Licensing Committee

Councillors:

S.A. Dunn (Chair)
M.J. Lee (Vice-Chair)
M. Arnold
M. Bing Dong

T. Burrell
M. Buck
K.M. Grant
N. Islam

A. Mathur
J.A. Turner
B. Weerasinghe

Substitute Members: Councillors R. Chandler, S.M. Doran, R.V. Geach, M. Gibson and K.E. Rutherford

Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

www.spelthorne.gov.uk customer.services@spelthorne.gov.uk Telephone 01784 451499

Agenda

Page nos.

1. Apologies and Substitutes

To receive any apologies for absence and notification of substitutions.

2. Minutes

3 - 4

To agree the minutes of the meeting held on 4 December 2024 as a correct record.

3. Disclosures of Interest

To receive any disclosures of interest from Councillors in accordance with the Council's Code of Conduct for Members.

4. Hackney Carriage Table of Fare Review 2025

5 - 32

Committee is asked to:

1. Approve the proposed table of fares set out at Appendix A for consultation purposes and statutory advertising requirements; and
2. Approve the methodology to calculate the table of fares.

**Minutes of the Licensing Committee
4 December 2024**

Present:

Councillor S.A. Dunn (Chair)
Councillor M.J. Lee (Vice-Chair)

Councillors:

C. Bateson

K.M. Grant

B. Weerasinghe

Apologies: Councillors M. Arnold, S. Bhadye, T. Burrell, R. Chandler,
D.C. Clarke and J.T.F. Doran

17/24 Minutes

The minutes of the meeting held on 29 October 2024 were agreed as a correct record.

18/24 Disclosures of Interest

There were none.

19/24 Hackney Carriage and Private Hire Licensing Policy 2024-2029

The Committee considered a report on the Hackney Carriage and Private Hire Policy 2024-2029 following consultation. The Principal Licensing Officer outlined the changes to the policy and advised that there had been seven comments received.

The Committee queried whether there were many Taxi's operating in Spelthorne that were near the ten year age limit. The Principal Licensing Officer advised that while there were some, renewal of licenses for those vehicles was done on a case-by-case basis and depended on how well maintained the vehicle was. In certain cases licenses for older vehicles may only be renewed for six months.

The Committee asked whether there was a plan in place to enable drivers to charge electric vehicles at taxi ranks. The Sustainability and Flood Risk Officer advised that it was being considered as part of the Council's Infrastructure Strategy.

The Committee requested clarification on the dates by which only electric vehicles would be given new licenses and were advised that it would be for any new licenses from 01 October 2028. A petrol or diesel vehicle applying for a license on 30 September 2028 would be able to be used up until 2043.

The Committee asked about the removal of the tinted glass requirement and queried if a driver wanted to use tinted glass whether it would be allowed. The Principal Licensing Officer advised that it would only be allowed if it was factory fitted glass.

Councillor Weerasinghe arrived at 19:22 and was not permitted to vote on this item.

The Committee **resolved** to:

1. approve the Hackney Carriage and Private Hire Policy 2024-2029 following consultation
2. recommend to Council for the scheme of delegations to include the Chair of Licensing with the Senior Environmental Health Manager to make minor amendments to the policy.

20/24 Setting of Fees & Charges for the licensing of Hackney Carriages, Private Hire, and Private Hire Operators 2025-2026

The Committee considered a report on the setting of Fees & Charges for Hackney Carriages, Private Hire, and Private Hire Operators. The Principal Licensing Officer set out the responses to the consultation and advised that fares would be reviewed in Spring 2025. The Committee were advised that fees were set at a level which enabled full recover of the cost of running the service.

The Committee queried whether drivers were aware that if they subscribed to the DBS Update Service the yearly cost of DBS checks was reduced. The Principal Licensing Officer advised that drivers are told but it is their choice as to whether they pursued that option.

The Committee queried the increase in fees and why it was not in line with increases seen in other Committees and were advised that a full cost analysis had been done and the increase reflected what the actual cost of providing the service was.

The Committee **resolved** to confirm agreement with the proposed taxi and private hire fees noting the consultation responses and undertake to bring forward reviews of the policies expressly referred within a reasonable timeframe pursuant to meaningful consultation.

The meeting ended at 19:41



Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Yes	22.08.2025
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	N/A income not for council	N/A
Relevant Group Head review	Yes	20.08.2025
MAT+ review (to have been circulated at least 5 working days before Stage 2)		09.08.2025
This item is on the Forward Plan for the relevant committee	Yes	09.05.2024
	Reviewed by	
Risk comments	yes	No comments
Legal comments	CU	26.08.2025
HR comments (if applicable)	n/a	n/a

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	05/09/25
S151 Officer commentary – at least 5 working days before MAT	Ola Owolabi	03/09/2025
Confirm final report cleared by MAT		

Licensing Committee

2 October 2025

Title	Hackney Carriage Table of Fare Review 2025
Purpose of the report	To make a decision
Report Author	Lucy Catlyn, Principal Licensing Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Resilience and Service Delivery Services
Recommendations	Committee is asked to: - <ol style="list-style-type: none">1. Approve the proposed table of fares set out at Appendix A for consultation purposes and statutory advertising requirements.2. Committee is asked to approve the methodology to calculate the table of fares.
Reason for Recommendation	In accordance with the Constitution, Committee is asked to approve the table of fares for Hackney Carriage Vehicle Licensing.

1. Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">• The table of fares and methodology to calculate this for hackney carriage vehicle licensing need to be approved for public consultation by the Licensing Committee	<ul style="list-style-type: none">• Need to have the table of fares approved before public consultation.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none">• The Licensing Authority asks the Committee to approve and/or make amendments to the table of fares.• The Licensing Authority also asks the Committee to approve the methodology.	<ul style="list-style-type: none">• Following Licensing Committee recommendation consultation will commence.

2. Key issues

- 2.1 This report seeks to inform the Licensing Committee of the methodology that has been used to review the Hackney Carriage Fares set by the Council for journeys undertaken in licensed taxis in the Borough and the proposed increase to the table of fares.
- 2.2 The Licensing Committee is asked to adopt the methodology. Having a methodology allows drivers to fairly cover the costs of running a taxi and providing a service to the public when it is needed, whilst ensuring that fares are reasonable for the public to pay.
- 2.3 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that “a district council may fix the rates or fares within the district for time as well for distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a “table of fares”) made or varied in accordance with the provisions of this section.”
- 2.4 By fixing the fares, the Council is effectively setting the maximum fare that hackney carriage drivers can charge. Legally, taxi drivers may charge less than this rate but may not charge more.
- 2.5 The fares set by the Council include provisions for taxi drivers to earn a wage, cover the costs of running a taxi and providing a service to the public when it is needed whilst ensuring that fares are reasonable for the public to pay.
- 2.6 Due to the fluctuating costs of running a vehicle, it is good practice for the Council to review fare regularly to ensure that there is not an imbalance between the costs of running a vehicle for the trade against the fares charged to the public.
- 2.7 The Department for Transport Best Practice Guidance indicates that it is good practice for the Council to use a simple formula to calculate taxi fares.
- 2.8 In Spelthorne, the Hackney Carriage table of fares has not been updated since 2015 (**Appendix B**). The Council sent the questionnaire at **Appendix C** to the trade to seek the taxi trade’s inputs into the data to be used for the fare review, however no one responded with the required information.
- 2.9 Due to the amount of time that has lapsed since the last review and the absence of information from the trade the Council have instructed a Barrister, Matt Lewin who has undertaken a review. The Licensing Authority propose to adopt the methodology (**Appendix D**) and the table of fares (**Appendix A**).
- 2.10 The proposed formula takes costs, such as vehicle purchasing, depreciation and running costs, fuel, insurance, licensing costs, together with driver’s earnings and provides a unit price for these costs per metered mile travelled, over the number of metered miles a vehicle travels with a fare paying passenger on-board.
- 2.11 It is intended that the calculator should be reviewed regularly if there are significant changes to the costs such as fuel. This will be at least every three years.

- 2.12 On the existing table of fares the initial flag drop (amount shown on the meter when you get in the vehicle) will remain the same as £3.70 for tariff one, however the overall fee will be a significant increase in the fare for distance travelled. Below explains the difference between 2015 and 2025 proposal and the overall percentage increase:

	2015	2025	Percentage Increase
Tariff 1 – Daytime Rate between 6am and 10pm			
First Mile	£3.70	£6.43	73.78%
Subsequent Mile	£2.50	£2.93	17.20%
Total Two Miles	£6.20	£9.36	50.97%
Tariff Two – Night and Holiday Rate between 10pm and 6am and national public holidays (except tariff 3 applies)			
First Mile	£5.40	£9.10	68.52%
Subsequent Mile	£3.00	£4.40	46.67%
Total Two Mile	£8.40	£13.50	60.71%
Tariff Three – Christmas Day, Boxing Day and New Year's Eve Only			
First Mile	£7.20	£12.86	78.61%
Subsequent Mile	£4.00	£5.86	46.50%
Total Two Mile	£11.20	£18.72	67.14%

- 2.13 According to the National Table of Hackney Carriage Fares produced monthly by Private Hire and Taxi Monthly (PHTM) Magazine¹, Spelthorne is currently in 294 position nationally out 337 authorities. The proposed table of fares would bring Spelthorne to 10th place if adopted. The proposed increase is significant as there has not been a fare review in 10 years. The trade have also asked for this increase.

- 2.14 In terms of comparing with other neighbouring authorities below is a chart for reference:

Licensing authority	2 mile fare	Position
Guildford Borough Council	£10.00	5
Elmbridge Borough Council	£9.50	9
Spelthorne Borough Council	£9.40	10
Woking Borough Council	£8.70	27
Runnymede Borough Council	£8.30	46
Surrey Heath Borough Council	£7.80	98
Royal Borough of Windsor and Maidenhead	£7.10	184

¹ [Hackney Taxi Fare Tables](#)

- 2.15 A public consultation must be undertaken, and the deadlines are outlined at section 13.
- 3. Options appraisal and proposal**
- 3.1 **Option 1** – to agree to consult with the taxi trade on the proposed table of fares. To also agree the methodology. **(This is the preferred option).**
- 3.2 **Option 2** – to agree the proposed table of fares with other amendments provided that such amendments are permitted by legislation. To also agree the methodology.
- 3.3 **Option 3** - not to agree the proposed table of fares – while this is an option it is not realistic taking into account the need for an increase in the fares to ensure the taxi trade are able to cover their costs and earn a wage over the number of miles they complete with a fare paying customer.
- 4. Risk implications**
- 4.1 It is important to ensure that Hackney Carriage fares are reviewed in line with the costs of providing the service, as this allows drivers to cover the costs of running a taxi and provide a service to the public when it is needed whilst ensuring that fares are reasonable for the public to pay. Failing to review fares may affect the ability of drivers to cover their costs and earn a living or may result in the public not being able to access the service. In addition, this may result in drivers leaving Spelthorne and getting licensed elsewhere.
- 4.2 There is a risk of challenge, however the methodology proposed is based on Guildford Borough Council's calculator. This formula has been scrutinised by way of Judicial Review and found to be robust.
- 4.3 Implementing the methodology might result in complaints from passengers unhappy at the increase in the cost of service. However, the fares set are a maximum and therefore can be subject of downward negotiation.
- 5. Financial implications**
- 5.1 The Local Government (Miscellaneous Provisions) Act 1976 allows the Council to recover the costs associated with the setting of Hackney Carriage Fares through the fees for vehicle licences.
- 6. Legal comments**
- 6.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 ('the Act' states that "a district council may fix the rates or fares within the district for a time as well for distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section."
- 6.2 Also in accordance with the Act, when the fares are varied, the Council is required to publish a notice in a local newspaper setting out the variation. Objections can be made to the variation and any such objections must be considered before the table of fares is brought into force with or without modifications.
- 6.3 The setting of licence fees/fares is a function of the Licensing Committee.

- 6.4 The Department for Transport Best Practice Guidance (2023) indicates that it is good practice for a local authority to use a simple formula to calculate taxi fares. The Council has such a formula which has been scrutinised by way of Judicial Review and found to be robust.

Corporate implications

7. S151 Officer comments

- 7.1 The costs associated with reviewing and setting Hackney Carriage fares, including legal advice and public consultation, can be recovered through vehicle licence fees in accordance with the Local Government (Miscellaneous Provisions) Act 1976. While the fare increase may generate public concern due to higher travel costs, it is necessary to reflect the substantial rise in operating expenses since the last review in 2015. The updated methodology ensures that fares are calculated in a transparent, evidence-based manner, balancing the financial sustainability of the taxi trade with reasonable costs for passengers. There are no additional budgetary implications for the Council beyond those recoverable through licensing income.

8. Monitoring Officer comments

- 8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9. Procurement comments

- 9.1 There are no procurement implications arising directly from this report.

10. Equality and Diversity

- 10.1 Under the general equality duty as set out in the Equality Act 2010, public authorities are required to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as advancing equality of opportunity and fostering good relations between people who share a protected characteristic and those who do not.
- 10.2 The protected grounds covered by the equality duty are: age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation. The equality duty also covers marriage and civil partnership, but only in respect of eliminating unlawful discrimination.
- 10.3 The law requires that this duty to have due regard be demonstrated in decision making processes. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had due regard to the aims of the equality duty.
- 10.4 The review of taxi fares will ensure that all customers are charged a fair price for the taxi service. Furthermore the Taxis and Private Hire Vehicles (Disabled Persons) Act 2022 ensures that disabled people can access transport services, free from the fear of discriminatory treatment or being faced with additional charges.

11. Sustainability/Climate Change Implications

- 11.1 The Council's current Taxi and Private Hire Licensing Policy sets out a vehicle age and emissions criteria in order to help improve air quality in the Borough. There are no changes to this position.

12. Other considerations

- 12.1 There are none.

13. Timetable for implementation

Licensing Committee to agree proposed table of fare	2 October 2025
Public Consultation Website Notice board Council Offices Newspaper Email to all licensed hackney carriage drivers and hackney carriage vehicle proprietors	10 October 2025
End of Consultation	29 October 2025
If no objections table of fares take effect	30 October 2025
If objections received Licensing Committee to be convened	November/December 2025

14. Contact

Lucy Catlyn, Principal Licensing Officer

01784 444295 l.catlyn@spelthorne.gov.uk or licensing@spelthorne.gov.uk

***Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.***

Background papers: There are none.

Appendices:

Appendix A Proposed Table of Fares

Appendix B Existing 2015 Table of Fares

Appendix C Hackney Carriage Fare Review Questionnaire 2024

Appendix D Table of Fares Methodology

This page is intentionally left blank

SPELTHORNE BOROUGH HACKNEY CARRIAGE FARE CHART effective 5 February 2015

FARES FOR DISTANCE & TIME



All distance and time charges include uncompleted parts thereof.

Tariff 1: DAYTIME RATES: (except where rates 2 or 3 apply)		Tariff 2: NIGHT / PUBLIC HOLIDAY RATE		Tariff 3: BANK HOLIDAY RATE:		4. EXTRA CHARGES:	
Rate per mile: £2.50 after first mile		Rate per mile: £3.00 after first mile		Rate per mile: £4.00 after first mile			
HIRINGS BETWEEN 6am and 10pm		HIRINGS BETWEEN 10pm and 6am AND NATIONAL PUBLIC HOLIDAYS (except where tariff 3 applies)		Christmas Day, Boxing Day and New Years Day <u>only</u>			
£3.70	Maximum charge up to 1 mile	£5.40	Maximum charge up to 1 mile	£7.20	Maximum charge up to 1 mile	Each passenger in excess of two:	20p
						Each article of luggage conveyed outside the passenger compartment:	
						Each animal, <u>excluding assistance dogs</u> :	
25p	For each additional 176 yards or 40 seconds	30p	For each additional 176 yards or 40 seconds	40p	For each additional 176 yards or 40 seconds	Soiling the carriage leaving it unfit for immediate subsequent hiring:	£50
IMPORTANT							
If the journey takes the taxi outside the Spelthorne Borough area, the driver MUST still charge in accordance with the above scale unless s/he has agreed otherwise with the hirer before the journey has started. These are the maximum fares chargeable.							
COMPLAINTS							
Any complaints about a taxi or driver should be directed to: Licensing, Spelthorne Borough Council, Council Offices, Knowle Green, Staines upon Thames, TW18 1XB or 01784 446439 / 444202 quoting, if possible, the taxi plate number and/or the driver's badge number							
Assistant Chief Executive, Spelthorne Borough Council							

This page is intentionally left blank



Spelthorne Borough Council
Licensing
Council Offices, Knowle Green,
Staines-Upon-Thames TW18 1XB
Tel: 01483 444295
Email: licensing@spelthorne.gov.uk

Hackney Carriage Fare Review 2024 – Trade Consultation

Overview

Spelthorne Borough Council licenses and regulates taxi and private hire services in the Borough. As part of this we set the maximum fares which taxis (Hackney Carriages) can charge. These fares should reflect the costs of operating a taxi in Spelthorne, against what it is reasonable for the public to pay for the service.

We seek to consult with the trade on the below questions.

Please read the questionnaire and take the time to complete it. The higher response rate will ensure that the views of the trade are taken into account when calculating the fares. It is also important to provide as much **detail and evidence** as possible with your response such as **copies of receipts and journey records in order to substantiate any figures given.**

Consultation

Please participate constructively in this consultation and let us know your views by **17:00 on the 10 June 2024**. Anonymous responses or historical submissions will not be considered.

The responses to this consultation will be considered and taken into account when deciding what changes should be made to taxi fares and tariffs.

Any responses may be published by the Council.

Any enquiries about this consultation can be made to the Licensing Team.

Section 1: Figures used to Calculate Fares

The table below shows the annual average mileage, annual average salary and annual average cost figures used to calculate the current fares. Please use the space provided in order to make any comment on these figures for this years review. Comments can include views on what the figure should be, or if the figure should not be included.

Please provide as much evidence as possible in order to justify your comments and substantiate any figures given, for example if you spend £600 on tyres per year, record this figure and provide a copy of the receipt. **Figures provided without supporting evidence cannot be considered.**

Item	Comments for 2024 Fares
Annual average salary for Spelthorne	The average salary in Spelthorne is £38,577, according to figures published by the ONS for 2023
The average annual mileage for a Spelthorne taxi	Average mileage is: 13430.5 miles
The amount of mileage without a fare paying passenger	
The amount of mileage with a fare paying passenger	
The average mileage travelled for each fare paying journey in Spelthorne	
The average number of journeys travelled with a fare paying passenger	
Dead mileage* rate	
Annual vehicle depreciation	
Purchase price of vehicle	
Annual cost of insurance	
Cost of Road Tax	

Appendix C

Average breakdown cover	
Average cost of fuel per litre over past 12 months, plus an additional 5 pence	148.70 pence
Annual cost of tyres	
Annual service labour costs	
Annual cost of replacement parts	
Annual cost of parking and tolls	
Annual Hackney Carriage Licence fee	£242
Vehicle test fees – MOT	£54.85
Driver Licence fee (pro rata)	£193 or £431
Cost of providing a roof sign and meter	
Cost of card payment terminal (per year)	<p>If you are not using one please indicate this</p> <p>On average how many people are paying via card out of 10 journeys?</p>

* Dead mileage is defined as the percentage of the distance that is travelled without a fare paying passenger aboard. It does not include any distance travelled on a fare where the meter is not used (for example a school contract or airport run), any distance travelled in the vehicle for personal (social, domestic, pleasure) use, or distance travelled to and from home to work.

Section 2 – Proposals for 2020 Review

We are pleased to hear views from the trade on the inclusion or removal of any costs associated with running a vehicle or amending the times affecting the tariff. Please use the space below to make any suggestions, for example other costs associated with running a taxi in Spelthorne which you would like included in the fare calculator.

Please make any comments in the section below and include as much evidence as possible in order to justify your comments. Figures provided without supporting evidence cannot be considered.

Section 4 – Consultee Details

Please note that anonymous responses will not be considered.

Name			
HC Driver Licence No		HC Vehicle Licence No	

Please return to Licensing at the address above by 17:00 on 10 June 2024.

Thank you for taking the time to complete this questionnaire.

Spelthorne Borough Council
Hackney Carriage Table of Fares Methodology¹

Introduction

1. The Council is required by section 65 of the Local Government (Miscellaneous Provisions) Act 1976 to set a table of maximum fares which apply to hackney carriage journeys which start in the borough. Fares are calculated using a taximeter and the taximeter shows the maximum fare that can be charged at the end of a journey that terminates within the borough of Spelthorne.²
2. This methodology is based on that originally adopted by Guildford Borough Council, Following a judicial review challenge, that methodology was scrutinised by the High Court and confirmed to be robust and lawful.
3. The objective of this methodology is to calculate – as objectively and transparently as possible – a set of fares which strike an appropriate balance between ensuring fair remuneration to the hackney carriage trade and value for money for the travelling public. It has borne in mind the need to ensure sufficient incentives for people to enter the trade to maintain the supply of hackney carriages to meet demand in the borough. The Council also recognises that business models will vary among its licensed hackney carriage fleet and that some businesses will be better run than others.
4. This methodology has calculated a reasonable average of all relevant costs incurred in running a hackney carriage which are then recovered over each mile travelled by the vehicle with a paying passenger on board (i.e. “live” mileage) – assuming the vehicle does the average number of journeys over the average journey distance each year.
5. The costs taken into account can be summarised as follows:

Item	Cost description	Cost
1	Median annual salary (A)	£38,963.00
2	Vehicle running costs (B x E) + (C + D + G + H + I)	£20,784.13
3	Total running costs (1 + 2)	£59,747.13
4	Average live mileage (E – F)	12,498
5	Total cost per mile (3 / 4)	£4.78
6	Total charge per mile ((3 – K x T1) / 4)	£2.93
7	Unit charge (6 / M)	£0.20 (Tariff 1), £0.30 (Tariff 2), £0.40 (Tariff 3)
8	Time charge (5 mins 10 secs / M)	21 secs

¹ Prepared by Matt Lewin of Cornerstone Barristers. With thanks for his advice and assistance to Mike Smith of Guildford Borough Council.

² The fare chart produced by this methodology also applies to journeys finishing outside Spelthorne unless otherwise agreed with the hirer before the journey has started.

9	Each passenger in excess of one, animal, luggage (O)	£0.30
10	Soiling charge (P)	£100

6. This methodology will take effect from **DATE**. The Council will keep it under review and will update it as appropriate.

Calculation of inputs

Item 1: Median annual salary (A)

7. The person who holds the proprietor's licence (the owner) for a hackney carriage may not be the driver. Different arrangements may exist regarding any income generated from use of the vehicle as a hackney carriage. An owner-driver will retain all the income whereas a driver who is not the vehicle owner may pay rent to the owner (usually on a weekly or monthly basis) to use it and will retain the fare revenue.
8. Therefore this methodology seeks to determine an appropriate level of remuneration taking into account that different business models exist among the licensed hackney carriage fleet. It does so by adopting the median annual gross salary for Spelthorne, as calculated by data published by the Office for National Statistics in its Annual Survey of Hours and Earnings (ASHE).
9. The median is the ONS' preferred measure of average earnings because it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean and has been adopted for this methodology.
10. The relevant figures³ are as follows:
- (a) earnings and hours worked, place of work by local authority⁴ = £39,703; and
 - (b) earnings and hours worked, place of residence by local authority⁵ = £36,993;
 - (c) earnings and hours worked, place of work by Parliamentary constituency⁶ = £38,577;
 - (d) earnings and hours worked, place of residence by Parliamentary constituency⁷ = £40,579.
11. The mean average of these figures produces a result of £38,963 which is the figure adopted for this methodology in respect of Item 1.

Item 2: Vehicle running costs

³ Derived from ONS' published provisional statistics for 2024

⁴ [Work Geography Table 7.7a – Annual Pay Gross 2024](#)

⁵ [Home Geography Table 8.7b – Annual Pay Gross 2024](#)

⁶ [ASHE Table 9](#)

⁷ [ASHE Table 10](#)

12. For the purposes of this methodology, vehicle running costs are calculated by taking into account (1) day-to-day costs of actually using the vehicle and (2) standing charges which are related to the costs of owning a vehicle and keeping it available for use.
13. For the year 2024, the licensed hackney carriage fleet in Spelthorne comprised 52 vehicles, of which 32 (62%) were diesel vehicles, 8 (15%) were petrol vehicles and 11 (21%) were hybrid vehicles. There was 1 (diesel) wheelchair accessible vehicle. The balance between the different types of licensed hackney carriages has remained more or less consistent since 2022 (during which time the number of licensed vehicles has decreased by about 15%). Therefore, given that a clear majority of licensed vehicles run on diesel, it is reasonable to adopt running costs for diesel vehicles for the purpose of this methodology.
14. This methodology has derived average running costs of a car from the AA's now discontinued annual Motoring Costs reports. The last AA report was published in July 2014.⁸ All of the running costs and standing charges referred to below are derived from the AA report, as Guildford Borough Council has done. Following the example of Guildford, those historic figures have been adjusted for inflation by applying an adjustment factor of 1.45 based on the [ONS RPI Motoring Expenditure Costs Index](#).⁹
15. The AA figures are calculated based on the purchase price of the car when new and fall into five brackets:
- up to £16,000
 - £16,000-£22,000
 - £22,000-£26,000
 - £26,000-£36,000
 - over £36,000.
16. As noted by Guildford Borough Council, the purchase price of a typical vehicle capable of being used as a hackney carriage tends to fall within the £22,000-36,000 brackets. Given that running costs vary considerably between each bracket, the higher of these two brackets has been adopted for this methodology in recognition that a vehicle used as a hackney carriage tends to be used more intensively than a vehicle used purely for private use.

Day-to-day costs (B)

17. Day-to-day costs comprise:

(a) Fuel

The AA has temporarily suspended its monthly Fuel Price Report series with the last available report published in March 2024. At the time of preparing this

⁸ Included as Annex 1 to this methodology.

⁹ Q21 2014 = 239.5; Jan 2025 = 346.8

methodology, the latest available data published by the RAC reported that average diesel prices at the end of February 2025 were 146.48 pence per litre.¹⁰

According to the RAC fuel prices at the end of February 2025 were the highest they had been since September 2024 but were below the 12-month high (158.30 pence per litre for diesel) and well below the record highs recorded in July 2022.¹¹ The RAC also reported the persistent trend of supermarkets selling fuel at lower prices than the UK average. Guildford Borough Council's methodology allowed for an additional 5 pence per litre to allow for any future increase in the cost of fuel and this methodology has also adopted that approach.

This produces a figure of 151.48 pence per litre for fuel.

(b) Tyre replacement costs

The Guildford Borough Council methodology assumes that an average tyre life is approximately 27,000 miles. This is just short of the 27,774 annual average mileage per vehicle calculated for this methodology.

The AA assumed a cost for tyre replacement of 2.02 pence per mile. Adjusted for inflation the cost works out at 2.92 pence per mile

Multiplied by annual average mileage (E) produces a result of £444.35.

(c) Service labour costs

Service labour costs cover normal servicing and parts replacement based on UK average labour rates.

The AA assumed a cost for service labour of 2.24 pence per mile. Adjusted for inflation the cost works out at 3.23 pence per mile.

Multiplied by annual average mileage (E) produces a result of £492.74.

(d) Replacement part costs

Car parts which might need to be replaced regularly under normal driving conditions include brake materials, oils, filters, bulbs and wipers. Sometimes larger parts (e.g. exhaust) may need replacement.

The AA assumed a cost for replacement parts of 2.99 pence per mile. Adjusted for inflation the cost works out at 4.31 pence per mile.

Multiplied by annual average mileage (E) produces a result of £657.72.

(e) Parking and toll charges

Parking and toll charges will vary depending on where the vehicle is used, such as journeys to Heathrow Airport.

¹⁰ <https://media.rac.co.uk/pressreleases/february-fuel-rise-sends-pump-prices-to-six-month-high-3373256>

¹¹ https://www.racfoundation.org/wp-content/uploads/Fuel_Factsheet_24_February_2025.pdf?v=25022025

The AA assumed a cost for parking and toll charges of 2.00 pence per mile. Adjusted for inflation the cost works out at 2.88 pence per mile.

Multiplied by annual average mileage (E) produces a result of £439.95.

Standing charges (B)

18. Standing charges comprise:

(a) Road tax

Road tax is based on the amount of CO2 produced (based on official figures in the vehicle V5C log book). Vehicles (other than zero-emission vehicles) registered after April 2017 pay a standard rate after the first year.

The AA assumed a cost for road tax of £180. Adjusted for inflation the cost works out at £259.20. This is equivalent to a Band G (151-165g/km of CO2 emissions) vehicle registered between 2001 and 2017. This is currently a reasonable assumption given that the Council's current policy applies a 15 year age limit for ULEZ-compliant vehicles. However this figure will need to be reviewed in future because the Council is introducing stricter emissions limits for new licensed vehicles from 1 October 2025.

(b) Insurance

Any vehicle used on the public highway requires to be insured and this is also a requirement of the Council's Hackney Carriage and Private Hire Vehicles and Operators policy.

The AA assumed a cost for insurance of £601. Adjusted for inflation the cost works out at £865.44.

(c) Cost of capital

The cost of capital represents the loss of income from the vehicle owner having the money tied up in a vehicle which could otherwise be earning money in a deposit account.

The AA assumed a cost of capital of £541. Adjusted for inflation the cost works out at £779.04.

(d) Depreciation over four years

A hackney carriage is an asset which depreciates over time. The rate of depreciation will vary depending on the vehicle's make, age, mileage and condition.

The AA assumed a cost for depreciation over four years at £3,373 per year. Adjusted for inflation the cost works out at £4,857.12.

(e) Breakdown cover

The figure allowed for this item is based on the cost of annual roadside vehicle-based cover.

Appendix D

The AA assumed a cost for breakdown cover of £50. Adjusted for inflation the cost works out at £72.

Additional allowance for insurance (C)

19. Hackney carriages must be insured for use for hire and reward which incurs a higher premium than a standard insurance policy due to the increased risks associated with using a vehicle for commercial purposes, such as higher mileage, busier driving conditions and time pressures.
20. Guildford Borough Council assumed an additional cost of £500 and this figure has been adopted as a reasonable estimate for this methodology.

Annual cost of hackney carriage vehicle licence (D)

21. In October 2024 the Council published its proposed fees for hackney carriage and private hire vehicles and operators which are due to come into effect on 1 April 2025.¹² The annual cost of a hackney carriage vehicle licence (which includes the cost of a vehicle inspection test) will be £260 and the discounted rate for wheelchair-accessible vehicles is £130. Given that there is just one licensed WAV the standard cost of £260 has been assumed for this methodology.

Annual station rank fee (G)

22. From 1 April 2025, Southwestern Railway introduced a fee for using the rank at Staines railway station of £300. However take up among the trade was very low and the railway company have now told the Council that they will be removing the rank altogether. Therefore no allowance has been made for a station rank fee.

Annual cost of driver's licence (pro rata) (H)

23. From 1 April 2025 the fee for a three-year hackney carriage driver's licence is £468 or £156 per year.

Additional licensing charges (I)

24. The Council does not require hackney carriages to display livery other than an illuminated roof sign, does not require the use of card payment devices and does not mandate CCTV to be installed. Guildford Borough Council's enquiries suggested that a roof sign costs £100, a taxi meter costs £400 and an annual tariff change costs £10. These costs are reasonable and have been adopted in this methodology.
25. Therefore over the 15-year maximum period for which a hackney carriage could remain licensed these additional licensing charges work out at £43 per year.

¹² https://www.spelthorne.gov.uk/media/27368/Proposed-taxi-and-private-hire-fees-for-2025-2026/pdf/Proposed_new_taxi_and_private_hire_licence_fees_for_20252026.pdf?m=1729849127890

Total vehicle running costs (Item 2)

26. Adding all of these vehicle running costs together the total cost is £20,784.13.

Item 3: Total running costs

27. Total running costs = Item 1 (annual salary) + Item 2 (average running costs). This produces a result of £59,747.13. These running costs are then recovered over each mile travelled with a paying passenger on board.

Item 4: Average live mileage

28. Average live mileage = annual average mileage (E) – dead mileage (F).

Average annual mileage (E)

29. In order to calculate the average annual mileage completed by a hackney carriage in Spelthorne the Council has taken a sample of 9 vehicles using data obtained from MOT tests. The sample data refers to different time periods and therefore an average mileage per day has been calculated in order to calculate an average annual mileage for each vehicle. The results vary between less than 9,000 miles and more than 70,000 miles. In order to reduce the influence of the outlier results, a median has been taken producing a result of 27,774 miles per year per vehicle.

30. Guildford Borough Council's methodology uses average miles per *vehicle* because in recent years (following the introduction of an online knowledge test) there has been a significant increase in the number of licensed hackney carriage drivers, resulting in a disparity of almost 3:1 between drivers and vehicles. This was a departure from earlier versions of their methodology which had calculated average miles *per driver* in order to account for multiple drivers using the same vehicle.

31. However, at the time of drafting this methodology, total annual mileage for all licensed hackney carriages was not available. Therefore it would not be possible to calculate average mileage per *driver*. Therefore this methodology has adopted a figure representing the average annual mileage per *vehicle*.

Dead mileage (F)

32. A hackney carriage does not travel all of its mileage with a fare paying passenger on board. This is usually referred to as "dead mileage".

33. It is not possible to calculate the exact amount of dead mileage comprised within the annual average mileage as there are too many variables which cannot be accounted for. For instance a hackney carriage may not always return empty to its initial point of departure (which would imply 50% dead mileage), it may return with a fare-paying passenger or it may carry a fare paying passenger to another location before returning to its initial point of departure.

Appendix D

34. Other factors such as mileage spent on commuting into and out of the borough and personal would also need to be excluded and these factors are dependent on the individual circumstances of the vehicle's owner.
35. Furthermore enquiries made by Guildford Borough Council have concluded that it is not possible to reliably calculate dead mileage based on data obtained from taximeters. For instance a hackney carriage may lawfully undertake pre-booked work and may carry out contract work or journeys with a pre-agreed fare that are not recorded by the taximeter and therefore could appear to be dead mileage when in fact they are not.
36. By increasing the allowance for dead mileage, the cost of running a hackney carriage also increases and therefore the cost of the fare and income will also increase. Careful consideration should therefore be given to the amount allowed for dead mileage.
37. The estimate of dead mileage adopted by Guildford Borough Council has been 45% since its methodology was first introduced in 2013. However, in Spelthorne, the feedback received from the trade is that dead mileage is likely to be higher than the rate in Guildford. Therefore this methodology estimates dead mileage at 55%.
38. Adopting a figure of 50% for dead mileage produces a result of 15,276 miles.

Average live mileage

39. Average live mileage = E (annual average mileage) – F (dead mileage). This produces a result of 12,498.3.

Item 5: Cost per mile

40. Cost per mile = Item 3 (total running costs) / Item 4 (average live mileage). This produces a result of £2.93 and represents the cost which needs to be recovered per mile with a paying passenger on board.

Item 6: Total charge per mile

41. Item 6 calculates the total charge per mile of a journey. The charge per mile includes an uplift for the first part of the journey which is known as the "flag drop" (T1, T2 or T3 depending on the applicable tariff). The flag drop is a fixed amount charged for all journeys regardless of distance and so provides an incentive to the trade to meet demand for short journeys.

42. In this methodology the total charge per mile is calculated as follows:

Item 3 (total running costs) – (K (average number of journeys) x TX (flag drop))

Distance per journey (J)

43. Based on consultation with the trade, Guildford Borough Council estimated an average journey distance of 2.5 miles.

44. Guildford borough is much larger (270.9 km²) than Spelthorne borough (51.18 km²) and, unlike Spelthorne, has just one principal settlement (Guildford). Guildford has a much lower population density (around 529 residents per km²) compared with Spelthorne which has one of the highest population densities in south east England (approximately 2,295 residents per km²).
45. Given these points of difference it is reasonable to assume that the average distance per journey is shorter than it would be for Guildford, likely in the region of 1.5-2 miles per journey. Feedback from the trade indicates that there is strong demand for journeys between Staines station and Thorpe Park (outside of the borough) which is approximately 3 miles. This suggests that the higher end of this estimate would be appropriate. Therefore this methodology has assumed an average distance per journey of 2 miles.

Average number of journeys (K)

46. Average number of journeys = Item 4 (average live mileage) / J (average distance per journey). This produces a result of 6,249.15 journeys on average per vehicle per year.

Flag drop (T1)-T(3)

47. As noted above, the “flag drop” sets the minimum fare for any journey regardless of the overall distance travelled: this is the amount that appears on the meter as soon as the journey begins. Under the Council’s current fare table the flag drop is £3.70 for journeys of up to 1 mile, meaning a vehicle would need to travel further than a mile to earn more than £3.70 for that journey.
48. Although the amount of the flag drop is at the discretion of the Council, it needs to be carefully calibrated. This is because the methodology seeks to recover running costs over each mile of a journey carried out by an average vehicle travelling an average distance with a paying passenger on board. Therefore increasing the flag drop means that a lower amount needs to be charged beyond the minimum distance/time in order to recover that cost.
49. In order to assess a reasonable amount for the flag drop, a benchmarking exercise has been carried out with a sample of neighbouring or nearby licensing authorities:

Licensing authority	Tariff 1 flag drop		First mile fare
	Charge	Distance/time	
Guildford Borough Council	£3.60	99 yds/17 secs	£6.36
	£4.00	99 yds/17 secs	£7.36
Elmbridge Borough Council	£6.10 (Mon-Sat)	1760 yds	£6.10
	£7.10 (Sun)	1760 yds	£7.10
Woking Borough Council	£3.10 (Mon-Sat)	125 yds/22 secs	£5.72
	£4.00 (Sun)	125 yds/22 secs)	£6.62

Appendix D

Runnymede Borough Council	£5.00	1760 yds	£5.00
Surrey Heath Borough Council	£3.60	1210 yds/32 secs	£5.80
Royal Borough of Windsor and Maidenhead	£6.00	0	£6.00*

* minimum fare per journey irrespective of distance travelled

50. This table demonstrates that there are varying approaches to setting the flag drop, with a very wide range in terms of distance/time units used.

51. As noted above, the Council's 2015 fare table set a minimum fare of £3.70 for journeys up to 1 mile. This amount has not been increased since then. Noting the benchmark examples above, and bearing in mind that this methodology significantly increases the overall first mile cost compared to the current fare table (to £5.97), a flag drop of £3.70 (Tariff 1), £5.00 (Tariff 2) and £7.40 (Tariff 3) has been adopted.

Total charge per mile (Item 6)

52. Applying the formula in paragraph 42 above, the total charge per mile for Tariff 1 works out at £2.93 per mile. For Tariff 2 it works out at £4.40 per mile. For Tariff 3 it works out at £5.86 per mile. This works out higher than the current charge per mile for each of Tariff 1 (£2.50), Tariff 2 (£3) and Tariff 3 (£4).

Item 7: Unit charge

53. The unit charge represents the cost for travelling one distance unit. In this methodology it is calculated (and rounded to the nearest 10p) at £0.20 for Tariff 1, £0.30 for Tariff 2 and £0.40 for Tariff 3 (N). In other words, a distance unit represents how far a hackney carriage can travel for 20p (under Tariff 1), 30p (under Tariff 2) or 40p (under Tariff 3). In this methodology that distance (the distance unit) is 120 yards (L).

54. As there are 1,760 yards to a mile, 1 mile works out at 14.65 distance units (M).

Item 8: Time charge

55. An alternative to the unit charge (i.e. charging by distance unit) is the time charge (i.e. charging by time unit). In other words, a taximeter can calculate a fare with reference to distance travelled or time spent on the journey.

56. In this methodology the time charge is calculated by dividing 5 minutes and 10 seconds by Item M (distance units per mile). This produces a result (a time unit) of 21 seconds.

Items 9-10: extra charges and soiling charge

Appendix D

57. The Council's current fare table included an additional charge of £0.20 for (i) each passenger in excess of two; (ii) each article of luggage conveyed outside the passenger compartment; (iii) and each animal (excluding assistance dogs).

58. A benchmarking exercise against the same authorities has been carried out:

Licensing authority	Additional passenger	Animal	Luggage	Soiling
Guildford Borough Council	£0.50	n/a	£0	£100
Elmbridge Borough Council	£0.40	£0.60	n/a	£100
Woking Borough Council	£0.50	n/a	£0	£100
Runnymede Borough Council	£0.30	£0.30	£0.30	£50
Surrey Heath Borough Council	£0.20	n/a	£0.20	£100 (int) £20 (ext)
Royal Borough of Windsor and Maidenhead	£1.00 (4 passengers only)		£1.00	£80 (ext) £20 (int)

59. In light of the above examples, an extra charge of £0.30 for carrying each additional passenger, animal or item of luggage has been adopted. A soiling charge of £100 has been adopted.

Overall fare calculation

60. The above inputs result in the following fare calculations:

	Tariff 1 ¹³	Tariff 2 ¹⁴	Tariff 3 ¹⁵
Flag drop (first 120 yards/25 seconds)	£3.70	£5.00	£7.40
First mile (including flag drop)	£6.43	£9.10	£12.86
For each additional 120 yards/21 seconds	£0.20	£0.30	£0.40
Subsequent mile	£2.93	£4.40	£5.86

61. This represents a substantial increase on the first mile rates compared with the Council's current (2015) fare table:

First mile rate	Current	Proposed	Increase
Tariff 1	£3.70	£6.43	74%
Tariff 2	£5.40	£9.10	69%
Tariff 3	£7.20	£12.86	79%

62. According to [Private Hire & Taxi Monthly's table of hackney carriage fares](#), the cost of a two mile Tariff 1 journey (£6.20) under the 2015 table of fares placed Spelthorne 294th out of 337 licensing authorities. This methodology would result in a two mile Tariff 1 journey costing £9.36, which would place the Council in 10th

¹³ Monday-Sunday 10.00-18.00

¹⁴ Monday-Sunday and national public holidays (except for Christmas Day, Boxing Day and New Year's Day) 18.00-10.00

¹⁵ Christmas Day, Boxing Day and New Year's Day only

Appendix D

position in the country. The following table draws a comparison with neighbouring authorities:

Licensing authority	2 mile fare	Position
Guildford Borough Council	£10.00	5
Elmbridge Borough Council	£9.50	9
Spelthorne Borough Council	£9.40	10
Woking Borough Council	£8.70	27
Runnymede Borough Council	£8.30	46
Surrey Heath Borough Council	£7.80	98
Royal Borough of Windsor and Maidenhead	£7.10	184

Document date: 30 July 2025