

Transport for London

Public Carriage Office



Taxi Fares 2009

The TfL Board has approved a 3.4 per cent increase in London taxi fares to apply from Saturday 4 April 2009.

The change in taxi fares follows the taxi cost index, which has been used to guide taxi fare changes in recent years. This index reflects taxi running costs in London. Operating costs have gone up by 3.7 per cent this year and the average earnings index has increased by 3.3 per cent.

There will be no change in the flagfall, and the distance and time per meter unit will change to give the increase in average fares in all three tariffs.

The TfL Board approved the new taxi fares on Tuesday 10 February, following consultation by the Public Carriage Office with the taxi trade and others, including London TravelWatch. The TfL Board recognised the importance of keeping fare increases to a minimum in the present economic climate while maintaining the link between taxi fares and national average earnings (and other costs).

The Board also approved a 40p metered extra to be charged only if fuel prices reach 147.1p per litre between 4 April 2009 and 1 January 2010. This compares with the end-January price in London of 100.7p. The additional charge, if it is introduced, will be added to the meter by the driver at the start of each trip.

This follows a similar arrangement that was approved in July 2008 to help drivers meet costs if the price of fuel rose beyond a level to justify a 50p extra on each fare. The amount of the extra button is being reduced this year to 40p in order to lower the threshold and reduce the extra costs drivers will have to bear before these can be passed to passengers.

There are no changes to the fares for fixed fare sharing schemes.

The tables attached show the cost index changes, revised tariff rates and typical fares likely to be charged in practice.

A handwritten signature in black ink that reads "Len Simkins". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Len Simkins
Head of Strategy and Planning

10 February 2009

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Licensed Taxi Cost Index Changes 2009

Index Component ¹	Cost Increase	Weight ²	Contribution to Total ³	Data availability ⁴	
		<i>Last Year</i>		Current	Normally used
Vehicle Cost	-2.7%	9.4%	-0.3%	Nov 08	Nov 08
Parts	9.3%	3.8%	0.4%	Nov 08	Nov 08
Tyres	9.1%	0.5%	0.0%	Nov 08	Nov 08
Garage & servicing – premises	1.7%	0.6%	0.0%	3 rd ¼ 08	3 rd ¼ 08
Garage & Servicing – labour	3.9%	1.9%	0.1%	Nov 08	Nov 08
Fuel	4.1%	10.4%	0.4%	Sep – Dec	Sep - Dec
Insurance	14.7%	3.1%	0.5%	Dec 08	Dec 08
Miscellaneous	1.9%	1.1%	0.0%	Dec 08	Dec 08
The Knowledge	3.3%	5.5%	0.2%	3 rd ¼ 08	3 rd ¼ 08
Social Costs	3.3%	2.8%	0.1%	3 rd ¼ 08	3 rd ¼ 08
Total Operating Costs	3.7%	39.1%	1.4%		
Average national earnings	3.3%	60.9%	2.0%	3 rd ¼ 08	3 rd ¼ 08
Grand Total		100%	3.4%		

Notes

1. The index components are as normally used in the cost formula. Further details are available on request.
2. 'Weight' is the proportion that the component contributes to the total cost per mile.
3. 'Contribution to total' indicates the importance of each component's cost change in determining the overall cost change. It is calculated for each component as the product of its percentage cost increase and its weight. The Grand Total is the sum of the individual components' contributions.
4. The 'current' column under 'Data availability' indicates the dates to which data in the 'cost increase' column relates. The 'normally used' column shows the dates relating to the data normally used for the final cost index update.

Tariff Changes

Average Fares

	Current average	New average	Increase (£)	Increase (%)
Tariff 1	£9.82	£10.16	£0.33	3.4%
Tariff 2	£11.39	£11.78	£0.38	3.4%
Tariff 3	£13.37	£13.83	£0.46	3.4%
All Week	£10.86	£11.22	£0.37	3.4%

(Discrepancies in these figures are the result of rounding effects)

Tariff Rates – 3.4% average increase

	Tariff 1		Tariff 2		Tariff 3	
	Current	New	Current	New	Current	New
minimum fare ¹	£2.20	£2.20	£2.20	£2.20	£2.20	£2.20
minimum units	2	2	2	2	2	2
metres/unit < 6 miles	149.8	143.7	121.3	116.6	97.9	94.2
secs/unit < 6 miles	32.2	30.9	26.1	25.1	21.0	20.2
metres/unit > 6 miles	105.0	100.8	105.0	100.8	105.0	100.8
secs/unit > 6 miles	22.6	21.7	22.6	21.7	22.6	21.7
Units at lower rate	64	67	79	82	98	102
Metres at lower rate	9587.2	9627.9	9582.7	9561.2	9594.2	9608.4
changeover fare	£14.80	£15.40	£17.80	£18.40	£21.60	£22.40

Typical fares from 4 April 2009

Distance	Tariff 1	Tariff 2	Tariff 3
1 mile	£4.60 - £8.20	£4.80 - £8.20	£5.00 - £8.40
2 miles	£7.00 - £10.80	£7.00 - £11.00	£7.60 - £12.00
4 miles	£11 - £18	£13 - £18	£15 - £22
6 miles	£17 - £28	£19 - £28	£23 - £33
Between Heathrow and central London	£40 - £75		