



Taxi Fares 2008

The TfL Board has approved an increase in London taxi fares to apply from Saturday 5 April 2008.

The main change in metered 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.

The index shows an increase of 4.7% in the year to January 2008. The biggest factor influencing the increase this year is the cost of fuel, which has risen by over 13%.

Passengers have been paying an extra 20p per trip on the flagfall since April 2005 to fund equipment to reduce exhaust emissions. This environmental charge was intended to stay for three years and now that it has fulfilled its purpose it will come to an end with the tariff change in April. When the removal of the charge is taken into account, the average fare increase is 2.7%.

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.

From April, the "Extra" button on the meter will go up in 50p steps instead of 20p, so adding these extras will be simpler for drivers. It is good practice to explain to passengers why the extra is being charged.

At the present time drivers can add the following extras at the start of the journey:

- up to £2 for telephone bookings
- up to £2 for journeys from Heathrow Airport
- up to £4 for journeys at the Christmas and New Year holidays.

As a further change, the fixed fares for some shared journeys at the Wimbledon tennis tournament, from Paddington Station and from Buckingham Palace garden parties will increase by 50p. There will be appropriate signage where these schemes apply.

The tables attached show the cost index changes, revised tariff rates with illustrative fares (based on distance only) and typical fares likely to be charged in practice; and revised fixed fares for shared journeys.



Len Simkins
Head of Strategy and Planning

7 February 2008

For previous PCO Notices visit tfl.gov.uk/pco

Licensed Taxi Cost Index Changes 2008

Index Component ¹	Cost Increase	Weight ²	Contribution to Total ³	Data availability ⁴	
		<i>Last Year</i>		Current	Normally used
Vehicle Cost ⁵	3.1%	9.5%	0.3%	Nov 07	Nov 07
Parts	3.0%	3.8%	0.1%	Nov 07	Nov 07
Tyres	0.0%	0.5%	0.0%	Nov 07	Nov 07
Garage & servicing – premises	4.3%	0.6%	0.0%	3 rd ¼ '07	3 rd ¼ '07
Garage & Servicing – labour	4.1%	1.9%	0.1%	Oct 07	Oct 07
Fuel	13.3%	9.6%	1.3%	Oct – Dec/Jan	Oct – Dec/Jan
Insurance	1.3%	3.2%	0.0%	Dec 07	Dec 07
Miscellaneous	-1.9%	1.2%	0.0%	Jan 08	Jan 08
The Knowledge	4.1%	5.6%	0.2%	3 rd ¼ '07	3 rd ¼ '07
Social Costs	4.1%	2.9%	0.1%	3 rd ¼ '07	3 rd ¼ '07
Total Operating Costs	5.6%	38.8%	2.2%		
Average national earnings	4.1%	61.2%	2.5%	3 rd ¼ '07	3 rd ¼ '07
Grand Total	4.7%	100%	4.7%		

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.
5. The vehicle cost reflects the change over the last year in the total cost over twelve years of purchasing a new taxi. Difficulties in establishing representative prices of second hand vehicles have led to their exclusion from the index this year.

2008 Example Tariff Changes – 4.7% increase

Average Fares (excluding the current 20p environmental charge)

	Current average	New average	Increase (£)	Increase (%)
Tariff 1	£9.39	£9.82	£0.44	4.7%
Tariff 2	£10.88	£11.39	£0.51	4.7%
Tariff 3	£12.77	£13.37	£0.60	4.7%
All Week	£10.37	£10.86	£0.49	4.7%

“Current average” excludes the 20p environmental charge

“New average” incorporates the proposed removal of the 20p environmental charge and the 20p increase in flagfall.

Average Fares (including the current 20p environmental charge)

	Current average	New average	Increase (£)	Increase (%)
Tariff 1	£9.59	£9.82	£0.24	2.5%
Tariff 2	£11.08	£11.39	£0.31	2.8%
Tariff 3	£12.97	£13.37	£0.40	3.1%
All Week	£10.57	£10.86	£0.29	2.7%

“Current average” includes the 20p environmental charge

“New average” incorporates the proposed removal of the 20p environmental charge and the 20p increase in flagfall.

New Tariff Rates

	Tariff 1	Tariff 2	Tariff 3
minimum fare	£2.20	£2.20	£2.20
minimum units	2	2	2
metres/unit < 6 miles	149.8	121.3	97.9
secs/unit < 6 miles	32.2	26.1	21.0
metres/unit > 6 miles	105.0	105.0	105.0
secs/unit > 6 miles	22.6	22.6	22.6
Units at lower rate	64	79	98
Metres at lower rate	9587.2	9582.7	9594.2
changeover fare	£14.80	£17.80	£21.60

Values do not include the 20p environmental charge, but do include a 20p increase in the flagfall. Hence the minimum fare remains at £2.20

EXAMPLES

Journey length Miles	Tariff 1			Tariff 2			Tariff 3		
	Current	New	Change	Current	New	Change	Current	New	Change
minimum	£2.20	£2.20	0.0%	£2.20	£2.20	0.0%	£2.20	£2.20	0.0%
0.5	£3.00	£3.00	0.0%	£3.20	£3.20	0.0%	£3.40	£3.60	5.9%
1.0	£4.00	£4.00	0.0%	£4.40	£4.60	4.5%	£5.00	£5.20	4.0%
1.5	£5.00	£5.20	4.0%	£5.80	£5.80	0.0%	£6.60	£6.80	3.0%
2.0	£6.00	£6.20	3.3%	£7.00	£7.20	2.9%	£8.20	£8.40	2.4%
2.5	£7.20	£7.20	0.0%	£8.40	£8.60	2.4%	£9.80	£10.20	4.1%
3.0	£8.20	£8.40	2.4%	£9.60	£9.80	2.1%	£11.40	£11.80	3.5%
3.5	£9.20	£9.40	2.2%	£10.80	£11.20	3.7%	£13.00	£13.40	3.1%
4.0	£10.20	£10.40	2.0%	£12.20	£12.60	3.3%	£14.60	£15.00	2.7%
4.5	£11.20	£11.60	3.6%	£13.40	£13.80	3.0%	£16.20	£16.60	2.5%
5.0	£12.40	£12.60	1.6%	£14.80	£15.20	2.7%	£17.80	£18.40	3.4%
6.0	£14.40	£14.80	2.8%	£17.40	£17.80	2.3%	£21.00	£21.60	2.9%
7.0	£17.40	£17.80	2.3%	£20.20	£21.00	4.0%	£23.80	£24.60	3.4%
8.0	£20.40	£21.00	2.9%	£23.20	£24.00	3.4%	£26.80	£27.80	3.7%
9.0	£23.40	£24.00	2.6%	£26.20	£27.00	3.1%	£29.80	£30.80	3.4%
10.0	£26.40	£27.00	2.3%	£29.20	£30.20	3.4%	£32.80	£33.80	3.0%
11.0	£29.40	£30.20	2.7%	£32.20	£33.20	3.1%	£35.80	£37.00	3.4%
12.0	£32.20	£33.20	3.1%	£35.20	£36.20	2.8%	£38.80	£40.00	3.1%
13.0	£35.20	£36.20	2.8%	£38.20	£39.20	2.6%	£41.80	£43.00	2.9%
14.0	£38.20	£39.40	3.1%	£41.00	£42.40	3.4%	£44.80	£46.20	3.1%
15.0	£41.20	£42.40	2.9%	£44.00	£45.40	3.2%	£47.60	£49.20	3.4%
16.0	£44.20	£45.40	2.7%	£47.00	£48.40	3.0%	£50.60	£52.20	3.2%
18.0	£50.20	£51.60	2.8%	£53.00	£54.60	3.0%	£56.60	£58.40	3.2%
20.0	£56.00	£57.80	3.2%	£59.00	£60.80	3.1%	£62.60	£64.60	3.2%

Values for “current” fares include the 20p environmental charge. Values for “new” fares do not include the charge, but do include a 20p increase in the flagfall. Hence the minimum fare remains at £2.20.
All example fares assume entire journey charged on distance rates

Typical fares

Tariff code on meter		1	2	3
Distance	Approx Journey Time	Monday to Friday 6am – 8pm	Monday to Friday 8pm – 10pm Saturday and Sunday 6am – 10pm	Every night 10pm – 6am Public holidays
1 mile	5 – 12 mins	£4.40-£8.00	£4.60 - £8.00	£4.80 - £8.00
2 miles	8 - 15 mins	£6.80- £10.60	£6.80 - £10.60	£7.40-£11.60
4 miles	15 – 30 mins	£11 - £18	£12 - £18	£14 - £21
6 miles	20 – 40 mins	£17- £27	£18 - £27	£23 - £32
Between Heathrow and Central London	30 – 60 mins	£40 -£70		

Changes to shared fixed fares from April 2008

Fare zone	Current fare	Date last changed	New fare
Between Wimbledon AELTC and Wimbledon & Southfields Stations	£2.00	Pre-2005	£2.50
Paddington to:			
W1 (North)	£4.50	2006	£5.00
WC1	£6.00	Pre-2005	£6.50
WC2	£6.00	Pre-2005	£6.50
SW	£6.00	Pre-2005	£6.50
City (North)	£8.00	2006	£8.50
City (South)	£8.00	2006	£8.50
Buckingham Palace to:			
W1 (South)	£3.00	Pre-2005	£3.50
Waterloo	£3.00	Pre-2005	£3.50
WC2	£3.00	Pre-2005	£3.50
W1 (North)	£4.50	2006	£5.00
WC1	£4.50	2006	£5.00
City	£4.50	2006	£5.00