



Taxi Fares 2007

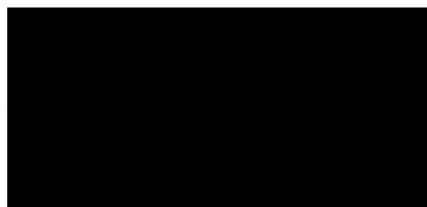
The TfL Board has approved changes to taxi fares to take effect from Saturday 14 April 2007.

As in recent years, the main revisions are based on the changes in the level of the taxi cost index. This index has been revised following a recent review and consultation with trade associations, to ensure that it continues to reflect cost changes affecting the taxi trade in London.

The revised index shows an increase of 3.2% in the year to January 2007. This corresponds to an increase of 32p to the average fare (excluding the 20p environmental charge). The flagfall will remain unchanged and the distance and time allowed for each 20p increment will be decreased so as to have the effect of increasing the average fare (excluding the 20p environmental charge) in each tariff. The tables attached show the cost index changes and the revised tariff rates, with illustrative fares based on distance only and typical fares likely to be charged in practice.

The following additional changes will also apply:

- drivers will be allowed to add the £2 'extra' for journeys from Heathrow airport to the fare for metered journeys ending outside Greater London, as well as journeys ending in London;
- fixed fares are defined for shared taxis from the Wimbledon tennis tournament to central London;
- drivers will have to issue a receipt if the passenger asks for one.



16 February 2007

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Head of Head of Strategy and Planning

Annex A: Licensed Taxi Cost Index Changes 2007

Index Component ¹	Cost Increase	Weight ²		Contribution to Total ³	Data availability ⁴	
		2006	2007		Current	Normally used
Vehicle Cost	4.0% ⁵	9.4%	9.5%	0.38%	Nov 06	Nov
Parts	4.0%	3.8%	3.8%	0.15%	Nov 06	Nov
Tyres	0.4%	0.5%	0.5%	0.00%	Nov 06	Nov
Garage & servicing – premises	-0.8%	0.6%	0.6%	0.00%	3 rd ¼ '06	3 rd ¼
Garage & Servicing – labour	2.7%	1.9%	1.9%	0.05%	Oct 06	Oct
Fuel	-1.2%	10.0%	9.6%	-0.13%	Early Jan	Mid Dec
Insurance	-3.3% ⁶	3.4%	3.2%	-0.11%	Jan 07	Jan
Miscellaneous	10.7% ⁷	1.1%	1.2%	0.12%	Early Jan	Early Jan
The Knowledge	3.9%	5.5%	5.6%	0.22%	3 rd ¼ '06	3 rd ¼
Social Costs	3.9%	2.8%	2.9%	0.11%	3 rd ¼ '06	3 rd ¼
Total Operating Costs	2.0%	39.2%	38.8%	0.79%		
Average national earnings	3.9%	60.8%	61.2%	2.37%	3 rd ¼ '06	3 rd ¼
Grand Total		100%	100%	3.16%		

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. The 2007 column shows the provisional weights in the total cost index, after updating them with this year's cost increases. The 2006 column shows the starting weights used in these calculations.
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 (2006) 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 relate. The 'normally used' column shows the dates relating to the data normally used in recent years for the final cost index update.
5. Older taxis (primarily the TX1 model) will be required to comply with Euro 3 emission standards by July 2007. The cost of doing so has not been included in the index as a 20p supplement is currently added to every taxi fare to compensate drivers for this expense. This arrangement is due for review before the 2008 tariff change.
6. Three of the four insurance companies whose premiums have been used in compiling the index will be leaving their rates unchanged this year. The fourth will be making a substantial reduction in January 2007. The weight used takes account of the estimated proportion of drivers covered by each of these companies.
7. Miscellaneous costs include PCO imposed elements such as licence fees, normally changed in April and incorporated in the cost index produced the previous December or January. 2007 cost changes depend on changes to vehicle inspection procedures not yet finalised. Driver's licence fees have been assumed to increase in line with the RPI change, and an increase of £44 has been assumed in the cost of a vehicle licence to represent the cost of a mid-year inspection. If these figures change, appropriate adjustments will be made in next year's index.

Annex B: 2007 Tariff Changes – 3.2% increase*

* Increase applied to base fares before addition of 20p environmental charge, which is unchanged.

Average Fares (excluding 20p environmental charge)

	Current average	New average	Increase (£)	Increase (%)
Tariff 1	£9.09	£9.39	£0.29	3.2%
Tariff 2	£10.55	£10.88	£0.33	3.2%
Tariff 3	£12.37	£12.77	£0.40	3.2%
All Week	£10.05	£10.37	£0.32	3.2%

Average Fares (including 20p environmental charge)

	Current average	New average	Increase (£)	Increase (%)
Tariff 1	£9.29	£9.59	£0.29	3.1%
Tariff 2	£10.75	£11.08	£0.33	3.1%
Tariff 3	£12.57	£12.97	£0.40	3.2%
All Week	£10.25	£10.57	£0.32	3.1%

Tariff Rates (including 20p environmental charge)

	Tariff 1		Tariff 2		Tariff 3	
	Current	New	Current	New	Current	New
minimum fare	£2.20	£2.20	£2.20	£2.20	£2.20	£2.20
minimum units	2	2	2	2	2	2
metres/unit < 6 miles	160.5	155.2	130.2	126.0	105.3	101.9
Secs/unit < 6 miles	34.5	33.4	28.0	27.1	22.6	21.9
metres/unit > 6 miles	112.5	108.8	112.5	108.8	112.5	108.8
Secs/unit > 6 miles	24.2	23.4	24.2	23.4	24.2	23.4
Units at lower rate	60	62	74	76	91	94
Metres at lower rate	9630.0	9622.4	9634.8	9576.0	9582.3	9578.6
changeover fare	£14.00	£14.40	£16.80	£17.20	£20.20	£20.80