PROPOSED HACKNEY CARRIAGE TARIFF INCREASE

Formal submission to Castle Point Borough Council - revised proposal 2026

7 September 2026

Licensing Committee
Castle Point Borough Council

Dear Councillors and Licensing Officers,

Re: Revised proposed Castle Point Hackney Carriage tariff for 2026

We are writing on behalf of the Hackney Carriage trade to ask Castle Point Borough Council to approve the revised proposed 2026 taxi tariff. The revised structure has been designed to remain clear for passengers, straightforward for meter programming and proportionate to the rising cost of providing a licensed taxi service.

Revised tariff structure

Tariff	Car start	Multi-seater start	Car ATI	Multi-seater ATI
Tariff 1	£4.00	£6.00	£10.00	£15.00
Tariff 2	£6.00	£9.00	£12.00	£18.00
Tariff 3	£7.00	£10.50	£13.00	£19.50
Tariff 4	£8.00	£12.00	£20.00	£30.00

The multi-seater rate is exactly 1.5 times the corresponding car rate at every stage: starting fares, meter increments and ATI fares. Tariffs 1-3 use 20p car/30p multi-seater increments; Tariff 4 uses 40p car/60p multi-seater increments.

All tariffs retain the first 158 yards or two minutes, followed by 170.2-yard or 42-second units. The ATI is reached after 30 first-stage units at 5,264 yards (2.991 miles), the closest programmable meter point to three miles. Thereafter the unit is 142 yards or 30 seconds.

Measured effect of the revised proposal

Across Tariffs 1-4 and journeys from one to ten miles, the revised car tariff produces a simple calculated average increase of approximately 10.2% against the April 2024 car tariff. The April 2024 mileage figures have been recalculated directly from the Viking meter-programming values. The tariff averages are:

- Tariff 1: 12.0%
- Tariff 2: 9.0%
- Tariff 3: 8.0%
- Tariff 4: 12.0%

We believe this remains fair, proportionate and restrained when considered alongside fuel prices, wages and the continuing rise in taxi operating costs. The detailed calculation report accompanies this letter.

Inflation, fuel and wages

The Consumer Prices Index increased by approximately 7.0% between April 2024 and July 2026, while CPIH increased by approximately 7.9%. Over the same comparison period, the National Living Wage increased from £11.44 to £12.71 per hour, an increase of approximately 11.1%.

Local income context is also relevant. The latest ONS Annual Survey of Hours and Earnings residence-based estimate shows median gross annual pay of £41,745 for full-time employees living in Castle Point in 2025. This is a median employee-earnings measure, not an average for every resident, and it excludes self-employed workers such as taxi drivers. It is included to help the Council assess the proposal against local earning levels and passenger affordability.

Diesel increased from approximately 157.1p per litre in April 2024 to approximately 182.82p by 24 August 2026, an increase of about 16.3%. Petrol increased from approximately 148.1p to 161.63p, an increase of about 9.2%. Fuel is a major direct expense and must also cover travel to ranks, passenger collections and empty return journeys.

Operating expenses

Drivers have experienced increases in:

- Vehicle insurance
- Servicing, repairs, tyres and replacement parts
- Vehicle purchase and finance costs
- Licensing and compliance costs
- Taxi-circuit fees, which have increased by approximately £500 per year for an average driver
- Parking permit: £90.00 per year
- Cleaning and maintenance
- Card-processing charges
- General household and living expenses

A fare increase is an increase in gross turnover, not profit. Drivers must pay all business expenses before receiving an income for themselves and their families.

Effect on a working driver's turnover

At approximately ten journeys per day, six days per week and 50 working weeks per year, a driver completes around 3,000 journeys annually. At that workload:

- An average increase of 50p per journey produces £1,500 additional gross turnover per year.
- An average increase of £1.00 per journey produces £3,000 additional gross turnover per year.
- An average increase of £1.50 per journey produces £4,500 additional gross turnover per year.

These amounts are before fuel, insurance, repairs, vehicle costs, licensing, circuit fees, the £90 annual parking permit, tax and other expenses. The increase in disposable income is therefore considerably lower than the headline fare increase.

Comparison with Southend-on-Sea

The revised proposal remains broadly competitive with the proposed Southend-on-Sea 2026 tariff. Averaged across one to ten miles, Southend is approximately 3.1% dearer on Tariff 1 and 11.9% dearer on Tariff 4. Southend is approximately 3.7% cheaper on Tariff 2 and 4.2% cheaper on Tariff 3. These mixed results demonstrate a balanced structure rather than an excessive proposal.

Conclusion

Taxi drivers are required to provide safe, properly licensed, insured and maintained vehicles. If fares fail to keep pace with operating costs, drivers may be forced to work longer hours, leave the trade or delay replacing older vehicles, reducing availability and service quality.

For these reasons, we respectfully ask Castle Point Borough Council to approve the revised 2026 tariff. Its overall calculated average increase of approximately 10.2% is close to the 11.1% National Living Wage increase, below the 16.3% increase in diesel prices and supported by the accompanying detailed calculations.

Yours faithfully,

THE HACKNEY CARRIAGE TRADE

Evidence sources

Office for National Statistics, Consumer price inflation: April 2024 and July 2026; ONS Annual Survey of Hours and Earnings, Table 8.7a, 2025 provisional residence-based median annual gross pay; Department for Energy Security and Net Zero, Weekly road fuel prices; Low Pay Commission, National Minimum Wage rates for April 2024 and April 2026; Castle Point April 2024 tariff; proposed Castle Point and Southend 2026 tariff calculations.