

## TRAFFORD COUNCIL

**Report to:** The Public Protection Sub- Committee  
**Date:** 24<sup>th</sup> September 2015  
**Report for:** Decision  
**Report of:** The Head of Regulatory Services

### Report Title

**HACKNEY CARRIAGE UNMET DEMAND STUDY 2015**

### Purpose

To invite the Sub-Committee to consider the findings of a study conducted on behalf of the Council in to the demand for hackney carriage services in Trafford.

### Option(s)

The Sub-committee is invited to consider the presentation by Vector Transport Consultancy, the findings of the survey and the comments of the trade, and resolve either:

- to accept the recommendation of the survey and maintain the current limit of 143 vehicle licences;
- to remove the limit on the number of vehicle licences and allow a free entry policy; or
- to issue any number of additional vehicle licences as it sees fit, either in one allocation or a series of allocations.

### Contact person for access to background papers and further information:

Name: Joanne Boyle  
Extension: 4129

Iain Veitch  
Head of Regulatory Services

Background Papers:

Hackney Carriage Unmet Demand Study 2015

## 1. BACKGROUND

- 1.1 Under the Transport Act 1985, Councils may only limit the number of hackney carriage vehicle licences issued for its area where there is no 'significant unmet demand'. The issue of whether or not there is significant unmet demand must be determined through robust statistical analysis of the results of a survey of the demand within that Authority's area. Government guidance recommends that such surveys are undertaken every three years.
- 1.2 The last survey was undertaken in 2012 and concluded that there was a geographical imbalance of provision of hackney carriage services across the borough at night and suggested that one option that the Sub-Committee could consider was a programmed and phased introduction of additional licences. The Sub-Committee took account of this when making its decision and on the 19<sup>th</sup> March 2013 it decided to release 5 plates per year for three years; subject to no new licences being issued until a full review of the hackney carriage vehicle specification was undertaken.
- 1.3 The review of the hackney carriage vehicle specification has not yet been completed, primarily because of the continuing uncertainty over the future of taxi regulation following the Law Commissions recent review of taxi and private hire legislation, and its subsequent recommendations. Consequently, no additional hackney carriage vehicle licences have been issued since the previous survey was undertaken.
- 1.5 The Council currently licenses 143 hackney carriage vehicles.

## 2. INTRODUCTION

- 2.1 On the 2<sup>nd</sup> March 2015 the Council commissioned Vector Transport Consultancy to undertake a study of the hackney carriage market in Trafford.
- 2.2 The study was conducted in pursuit of the following objectives:
- To determine whether or not there exists a significant unmet demand for hackney carriage services in Trafford; and
  - To advise on the action necessary to restore a position of no significant unmet demand if necessary.

## 3. CONCLUSION OF STUDY

- 3.1 The study concludes, taking all observed supply and demand into consideration, that there is no significant unmet demand within the Trafford licensing area. A copy of the summary of the report is attached at **Appendix B**. The full report is available on the Council's website at:  
<http://www.trafford.gov.uk/business/licenses-and-permits/taxi-and-private-hire-news.aspx>

## 4. OPTIONS

- 4.1 Notwithstanding that no significant unmet demand has been identified the Council is not obliged to continue with a limitation policy and could pursue

alternative options. A discussion on the benefits and dis-benefits of each option is attached at **Appendix A**.

4.2 The Sub-committee is invited to consider the presentation by Vector Transport Consultancy, the findings of the study and the comments of the trade and resolve either:

4.2.1 to accept the recommendation of the survey and maintain the current limit of 143 vehicle licences;

4.2.2 to remove the limit on the number of vehicle licences and allow a free entry policy; or

4.3.3 to issue any number of additional vehicle licences as it sees fit, either in one allocation or a series of allocations.

**APPENDIX A**

<b>Option 1</b>	<b>Benefit</b>	<b>Dis-benefits</b>
<p>Maintain the current limit of 143 hackney carriage licences.</p>	<p>Limits the number of vehicles competing for fares, enabling drivers to maintain a higher level of income than may be the case if numbers were unlimited. Results in more full time and 'professional' drivers, than might otherwise be the case.</p>	<p>Limits the number of vehicles which may be brought into service at peak times. Enables plate premium values to develop, where licensed vehicles are sold, with operator license, for a premium over the basic vehicle price. These values attached to taxi licenses increase pressure to litigate for additional licenses, in order to procure high value licenses for free. High plate premiums can form a barrier to entry to the trade. Limits incentives to drivers to identify evolving patterns of demand and adapt and innovate to meet new demand.</p>

<b>Option 2</b>	<b>Benefit</b>	<b>Dis-benefits</b>
<p>Remove the limit on hackney carriage licence numbers.</p>	<p>The market will find its own level of supply and demand. Taxi plates no longer have a premium value so entry to the trade becomes easier.</p> <p>Hackney Carriage drivers are forced to innovate to develop efficient methods to reach more of the market for Hackney Carriage business. This may lead to formation of cooperatives and partnering arrangements.</p>	<p>Drivers may transfer from Private Hire Vehicles to Hackney Carriage operation. This can affect the balance of provision, between Hackney Carriage and Private Hire. As a consequence, some parts of the market, such as suburban night time services, traditionally serviced by Private Hire Vehicles, may be affected by reduced availability. Increased competition and tighter cost control may apply pressure to vehicle quality, both in the Hackney Carriage and Private Hire fleet, resulting in older and less well maintained vehicles. Drivers may 'cherry pick' the most profitable times to operate. i.e. new entrants to the trade may operate on a part time basis at reduced cost with older second hand vehicles and only operate at peak periods of activity associated with the night time economy. This can leave fewer vehicles to service daytime requirements. Hackney Carriages which are driven by multiple drivers, in multiple shifts, may lose drivers to new licenses. Therefore, whilst the number of drivers increases following de-restriction, the number of Hackney Carriages in operation may not increase by the same proportion, if shift operators are not replaced.</p>

<b>Option 3</b>	<b>Benefit</b>	<b>Dis-benefits</b>
<p>A controlled release of hackney carriage vehicle licences.</p>	<p>A controlled release of licences combined with the introduction of additional ranks around demand generators; and measures to encourage use of existing ranks may address the imbalance in provision of hackney carriage services.</p> <p>A more gradual change from a quantity regulation, which will give the trade a gradual period of adjustment when compared to full delimitation at a given date.</p>	<p>The dis-benefits would be similar to those for total deregulation but to a lesser degree.</p> <p>The controlled release could be undermined by a change in the law resulting in national delimitation.</p>



# **Trafford Council – Hackney Carriage Unmet Demand Study**

## **Final Report**

**July 2015**

---



## EXECUTIVE SUMMARY

### *Key points*

This study has been conducted by Vector Transport Consultancy on behalf of Trafford Council.

The study is intended to fulfil the requirements of Section 16 of the 1985 Transport Act and to address the questions raised in the Department for Transport (DfT) 2010 Best Practice Guidance.

The objectives of the study may be broadly defined as:

- Consultation with major stakeholders
- An unmet need survey
- An assessment of illegal taxi pickups on a match day near Manchester United Football Ground.
- An assessment of Private Hire Vehicle pickups near the Slug and Lettuce pub in Sale.
- Undertake a mystery shopper exercise to look at the disabled passenger experience and over charging on specific routes.

Surveys were undertaken at active taxi ranks, over four days, from Thursday morning to the early hours of Monday morning. The volume of passengers and hackney carriages was recorded, together with Hackney Carriage waiting times, Hackney Carriage queue lengths and wait times for any queuing passengers.

Ten of the existing taxi ranks, which are known to be active, were surveyed. These can be characterised in different ways, defined by surrounding land uses and typical hours of operation.

There are five ranks which serve retailing centres and visitor attractions, these are; Sir Matt Busby Way North, Sir Matt Busby Way South, Barton Dock Road (Trafford Centre), Stretford Mall and Hereford Street.

Ranks which primarily serve the night time economy (pubs, clubs and restaurants) were surveyed at; School Road in Sale, Marsland Road, Sale and Ashley Road in Hale. The retail / tourism based ranks operate during the day, whereas the night time economy based ranks operate primarily, as the name suggests, at night.

There are two more ranks which are active both during the day and at night. These are the station ranks at Altrincham Station and on Northenden Road, outside Sale Metrolink station.

The day time trade is spread throughout the borough. However the night time trade tends to be more active in the centre and south of the borough. This characteristic is emphasised on Friday and Saturday nights, when the night time economy is most active.

The normal situation at ranks, during the hours of operation, is that hackney carriages queue, waiting for passengers. Consequently, incidences of passenger queuing are relatively rare. Approximately 1.6% of passengers had to wait for a Hackney Carriage to arrive at a rank. The incidences of passengers having to wait for a Hackney Carriage were periodic and isolated, rather than continuous queueing. i.e. there were no long or continuous queues forming at the ranks. Extensive queuing over prolonged



periods is one of the indicators of unmet demand and this form of queuing did not occur during the surveys.

Public consultation was undertaken through questionnaire surveys conducted on street in Sale, Urmston and Altrincham. The Public were also offered an opportunity to provide feedback through an online questionnaire. Stakeholder consultation was undertaken with representatives of the taxi trade, minority group representatives, local businesses, visitor attractions, licensed premises, the police, fire brigade and the Council.

The public and stakeholder consultation feedback indicated that:

- The public and stakeholders are generally content with the level of service provided by Hackney Carriages.
- The needs of mobility impaired passengers are generally satisfied by the existing taxi fleet. However, feedback from deaf representatives suggests some frustration with the need to rely on third parties to book taxis on their behalf. Requests for the ability to book taxis by text message were made.
- The storage capacity of some ranks is sometimes insufficient to accommodate all of the hackney carriages waiting for fares.
- There is generally sufficient capacity in the Hackney Carriage fleet to cater for demand.

#### ***Unmet need assessment***

Data from the taxi rank surveys was used, together with any indication from the public consultation surveys of frustration with non-availability of Hackney Carriages, to calculate an Index of Significant Unmet Demand (ISUD). The ISUD index value calculated from the survey results indicates that while there were occasions when passengers had to wait for Hackney Carriages to arrive at the ranks, the level is below the threshold which is held to indicate that the level of unmet demand is significant.

#### ***Mystery shopper exercise***

Mystery shopper surveys were undertaken by surveyors, using a wheel chair, to test drivers' willingness to accept short distance hires by wheel chair passengers. One driver refused to take the wheel chair passenger, stating that he didn't do wheel chairs. Otherwise, none of the other drivers hired refused or showed reluctance to take a wheel chair on a short journey. However, only two drivers offered to secure the wheel chair using securing straps. On one of the journeys undertaken, the driver did not turn off the meter on arrival at the destination, and waited until the wheel chair was unloaded, before switching off the meter and charging the surveyor. One driver forgot to switch on the meter for the journey and the estimated charge was higher than the expected fare.

#### ***Assessment of illegal taxi pick ups near Manchester United Football Ground, on match day***

Video cameras were used to record activity at several locations around Manchester United Football Ground, following a home match. The footage was assessed to record the number of Private Hire Vehicle pickups which appeared to be pre-booked, versus those which appeared not to be pre-booked. The majority of Private Hire Vehicle pickups appeared to not have been pre-booked. Many of these hires were obtained by passengers flagging down approaching Private Hire Vehicles.

#### ***Assessment of Private Hire Vehicle pickups in Sale***

The roadway outside the Slug and Lettuce pub, on School Road in Sale, was observed for four nights, to assess the activity of Private Hire Vehicles which were known to wait on this section of road and were suspected of illegally plying for hire. Following





assessment of the video footage, many of the vehicles were thought to have picked up hires which were not pre-booked.

### ***Trade Consultation***

Trade representatives and drivers were consulted to seek their views on the Hackney Carriage trade in Trafford. The principal issues which were raised by the trade were:

- Concern over the number of Hackney Carriages and Private Hire Vehicles and drivers registered in other licensing authority areas which were working in Trafford in the Private Hire Trade.
- Concerned over the level of perceived plying for hire, by Private Hire Vehicles.
- Concern that Hackney Carriages from other areas, had TAXI roof signs and could easily be confused with licensed Trafford Hackney Carriages, by members of the public.
- Appreciation that with vehicles from other areas operating in Trafford, this limited the revenue stream for the licensing section in Trafford.
- Concern over perceived lack of enforcement in Trafford

It was also pointed out by members of the trade, that several Hackney Carriages were licensed but not effectively in use, by the owners. This feature was attributed to a downturn in trade. This assertion was corroborated by analysing mileage figures from Hackney Carriage tests. Several vehicles had very low mileage increases between tests, suggesting that they were not in daily use.

### ***Conclusions***

The primary purpose of this study is to determine whether there is evidence of significant unmet demand. The conclusion is that there is **no significant unmet demand**.

Users are generally content with the service provided by Hackney Carriages.

Hackney Carriage drivers generally provide good customer care to passengers and are helpful to wheel chair users. However, the majority of drivers tested did not fully secure the wheelchair.

### ***Recommendations***

Illegal plying for hire by Private Hire Vehicles is a growing source of frustration and concern for the trade. There is a perceived lack of enforcement and suggestions from some members of the trade that more and more drivers are inclined to take matters into their own hands with respect to dealing with Private Hire Vehicles 'stealing their trade'.. Some high profile enforcement operations may increase the perception amongst the Private Hire trade that the chances of getting caught are increased and help to allay concerns amongst the Hackney Carriage trade.