Manchester City Council
Report for Resolution

Report to: Licensing and Appeals Committee – 26 November 2012

Subject: Results of Halcrow Unmet Demand and Consultation Survey 2012

Report of: Head of Business Units

Summary

The report details the results from the Halcrow Unmet Demand and Consultation Survey undertaken in 2012 (Copy attached at **Appendix1**) and highlights the key issues that arose from the survey. The report advises that there is currently no significant unmet demand in the provision of hackney carriages within Manchester. The report also highlights the consultation survey that took place with a range of organisations and stakeholders and the key findings.

Purpose of Report

The purpose of the report is to enable the Licensing and Appeals Committee to consider the results of the Halcrow unmet demand and consultation survey and make an appropriate recommendation to Council in relation to whether further hackney carriage proprietor licences should be issued .

Recommendations

1. That the Committee consider the content of the report and recommends one or more of the following options to Council.

   (i) Maintain the current limit of 1089 hackney carriages or
   (ii) Issue any number of additional plates as it sees fit, either in one allocation or a series of allocations or
   (iii) Remove the numerical limit currently applied to hackney carriage proprietor licences

2. That the Committee recommend to the Council that consideration of the key issues identified within the report are deferred until completion of the current review of Hackney Carriage Vehicle Policy by which time the extent of the Law Commission proposals for taxi legislation reform should be known.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	If the Committee decide to maintain the current level of hackney carriages this will maintain the current standard of living of hackney carriage drivers. Any increase in the number of hackney carriage vehicles may reduce the standard of living of existing licensed drivers.
Reaching full potential in education and employment	Hackney carriage vehicle proprietors can employ up to four drivers working various tracks. Any increase in the number of vehicles would increase the potential for additional drivers to be employed.
Individual and collective self esteem – mutual respect	Not applicable to the content of this report
Neighbourhoods of Choice	Not applicable to the content of this report

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue
None

Financial Consequences – Capital
None

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Background documents

Transport Act 1985
If you would like a copy of the background documents please contact one of the contact officers above.

1. 0 Introduction

1.1 Legislative Background

1.1.1 Under the Transport Act 1985 Councils may limit numbers of hackney carriages if they are satisfied that there is no 'significant unmet demand'. This is determined through robust statistical analysis as any such decision is open to challenge through the courts. Statistical surveys are normally undertaken every three years.

1.1.2 In 2004/05 following a letter from the Department of Transport (DoT) the Council undertook a full review of its policy and at the same time an unmet demand survey was carried out. The letter sent by the DoT, which was in response to a nationwide investigation by the Office of Fair Trading, was explicit in that an unmet demand survey on its own did not constitute a review of a Policy. The unmet demand surveys are, therefore, now combined with a consultation exercise carried out with a wide range of stakeholders.

2.0 Results of the Halcrow Consultation Survey

2.1 Following a tender process undertaken in accordance with the Councils procurement policy, Halcrow, an independent company with extensive experience of this work undertook the 2012 consultation survey, in parallel with the unmet demand survey. The consultation part of the survey was carried out with a wide range of stakeholders as detailed below. The full survey is attached at **Appendix 1** whilst the key points of the survey are summarised below.

2.2 The survey included consultation with a range of organisations and stakeholders:

2.2.1 Direct consultation was undertaken with:

- o Hackney carriage trade representatives
- o Private hire representatives

2.2.2 Indirect consultation, by letter, was undertaken with:

- o Greater Manchester Police
- o Hotels and City Centre management
- o Coalition of Disabled People
- o GMPTE
- o Local interest groups such as hospitals
- o On-street interviews with 397 members of the public regarding the last

journey taken in a taxi

- o Manchester City Council

- o User/disability groups representing disabled people

- o Local interest groups including hospitals, visitor attractions, entertainment outlets, educational establishments

- o Rail, bus and coach operators

2.3 The key findings from these consultations were:

(1) The image of the hackney carriage and private hire trade is, on the whole good with high satisfaction levels

(2) 32% of passengers obtaining their taxi at a rank were satisfied with their hiring at a rank whilst 40% were satisfied with hiring via a telephone

(3) Passengers expressed interest in more ranks citing Deansgate, Piccadilly Gardens and Printworks as those areas most in need. Whilst drivers suggestions were Hathersage Road, Lapwing Lane, Shudehill Bus Station, Thomas Street and Portland Street.

(4) Despite good satisfaction levels 67% of hackney carriage vehicle passengers and 43% of private hire vehicle passengers felt services could be improved. The three most popular improvements were cost (making fares cheaper), better drivers and more taxis

(5) 68.9% of people surveyed had used a taxi in the previous three months and 89% of these were satisfied with their last journey

(6) Passengers were asked whether they felt safe using taxis. The majority of respondents (88.6%) felt safe using taxis during the day whilst 78% felt safe at night.

(7) When asked what could be done to improve the feeling of safety and security the most common responses from passengers included – women drivers, better drivers and for drivers not to lock the doors.

(8) The figures (an average of hackney carriage and private hire percentages) provided by the drivers’ responses shows that only 22.6% of drivers feel safe all the time. With 62.5% having been verbally attacked and 20% having been physically attacked.

(9) The majority of stakeholders felt that the existing managed growth policy works well and should be maintained.

(10) The majority of stakeholders felt that the existing knowledge test should be made more stringent with some expressing concern that the same questions are used too often.

(11) Taxi marshalling is thought to have been successful in terms of reducing anti-social behaviour.

(12) Drivers question the Council's policy of removing vehicles over a certain age from their register of vehicles and felt that if a vehicle is fit for use in one authority it should be fit for use in another.

(13) It was felt by some representative disability groups that although there was a plentiful supply of hackney carriage vehicles, there were not always enough that are able to accommodate the needs of wheelchair users (the reference to what 'need' was is unclear in the report). It was also felt that training should be standardised in this area, for all drivers.

2.4 The consultation with stakeholders highlighted a number of issues. Historically officers have prepared a separate report, which highlights the key issues and provides actions that the Council may wish to consider in terms of addressing the issues identified

3. 0 Consideration of Key Issues

3.1 Highways Services are currently leading a review of hackney ranks. The interest expressed by passengers and drivers in relation to additional ranks, given at 2.3(2) of the relevant findings from the unmet demand survey report will be incorporated into the ongoing taxi rank survey

3.2 In relation to 2.3 (10) of the key issues above, this matter is in part already being addressed, in that a new computerized package providing an online knowledge test using a bank of randomly selected questions is currently being developed.

3.3 The ongoing review of hackney carriage vehicle policy is resource intensive and therefore Committee are asked to consider deferring further work in respect of the key issues until completion of the review by which time the extent of the Law Commission proposals for taxi legislation reform should be known.

4.0 Findings of the Halcrow Report

4.1 Halcrow concluded that there is currently no evidence of significant unmet demand for hackney carriages in Manchester. This covers both patent and latent/suppressed unmet demand and is based on an assessment of the implications of case law that has emerged since 2000 and the results of Halcrow analysis.

5.0 Other legal implications

5.1 There are no other legal implications to consider.

6.0 Contributing to the Community Strategy

6.1 (a) Performance of the economy of the region and sub region

6.1.1 If the Committee decide to maintain the current level of hackney carriages this will maintain the current standard of living of hackney carriage drivers. Any increase in the number of hackney carriage vehicles may reduce the standard of living of drivers.

6.2 (b) Reaching full potential in education and employment

6.2.1 Hackney carriage vehicle proprietors can employ up to four drivers working various tracks. Any increase in the number of vehicles would increase the potential for additional drivers to be employed.

6.3 (c) Individual and collective self-esteem – mutual respect

6.4 (d) Neighbourhoods of Choice

7. Key Policies and Considerations

(a) Equal Opportunities
Not applicable to the content of this report

(b) Risk Management
Not applicable to the content of this report

(c) Legal Considerations

There are no legal considerations

8. Conclusion

8.1 The report includes the Halcow Consultation survey for 2012 (**Appendix 1**) and highlights the key issues identified from the survey.

8.2 The report asks the Committee to consider deferring consideration of the issues highlighted within the report at 2.3 (apart from the taxi rank review and driver knowledge test) due to the urgent review of the Council policy in relation to hackney carriage vehicles and the Law Commission review.

Manchester Hackney Carriage Unmet Demand Survey

FINAL REPORT

Manchester City Council

October 2012

Halcrow

Manchester Hackney Carriage Unmet Demand Survey

FINAL REPORT

Manchester City Council

October 2012

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Document history

Manchester Hackney Carriage Unmet Demand Survey

FINAL REPORT

Manchester City Council

This document has been issued and amended as follows:

Version	Date	Description	Created by	Verified by	Approved by
1.0	Sept 12	Draft Report	Pam Murray	Liz Richardson	Liz Richardson

Contents

1 Introduction

1.1 General

This study has been conducted by Halcrow on behalf of Manchester City Council (MCC). MCC requires an independent survey of demand for hackney carriages across Manchester. The purpose of the study is to determine:

- Whether there is any evidence of significant unmet demand for hackney carriage services in Manchester; and
- If significant unmet demand is found, recommend how many licences would be required to meet this.

In 2010 the Department for Transport (DfT) re-issued Best Practice Guidance for Taxi and Private Hire licensing. The Guidance restates the DfT's position regarding quantity restrictions. Essentially, the DfT stated that the assessment of significant unmet demand, as set out in Section 16 of the 1985 Act, is still necessary but not sufficient in itself to justify continued entry control. The Guidance provides local authorities with assistance in local decision making when they are determining the licensing policies for their local area. Guidance is provided on a range of issues including: flexible taxi services, vehicle licensing, driver licensing and training.

The Equality Act 2010 provides a new cross-cutting legislative framework to protect the rights of individuals and advance equality of opportunity for all; to update, simplify and strengthen the previous legislation; and to deliver a simple, modern and accessible framework of discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.

The provisions in the Equality Act will come into force at different times to allow time for the people and organisations affected by the new laws to prepare for them. The Government is considering how the different provisions will be commenced so that the Act is implemented in an effective and proportionate way. Some provisions came into force on the 1 October 2010 and some are still waiting to be implemented.

Sections 165, 166 and 167 of the Equality Act 2010 are concerned with the provision of wheelchair accessible vehicles and place obligations on drivers of registered vehicles to carry out certain duties unless granted an exemption by the licensing authority on the grounds of medical of physical condition. From 1 October 2010, Section 166 allows taxi drivers to apply to their licensing authority for an exemption from Section 165 of the Equality Act 2010.

Section 161 of the Equality Act 2010 qualifies the law in relation to unmet demand, to ensure licensing authorities that have 'relatively few' wheelchair accessible taxis operating in their area, do not refuse licences to such vehicles for the purposes of controlling taxi numbers. For section 161 to have effect, the Secretary of State must make regulations specifying:

- The proportion of wheelchair accessible taxis that must operate in an area before the respective licensing authority is lawfully able to refuse to licence such a vehicle on the grounds of controlling taxi numbers; and
- The dimensions of a wheelchair that a wheelchair accessible vehicle must be capable of carrying in order for it to fall within this provision.

The DfT plans to consult on the content of regulations before Section 161 comes into force and to date has not set a timetable to do so.

The Law Commission are currently looking into reform of the taxi and private hire industry. In May 2012 a series of proposals were published for people to consult on. This consultation period runs until September 2012. Proposed changed include national minimum safety standards for all vehicles, improving provision for persons with disabilities, quantity restrictions and enforcement.

2 Background

2.1 General

This section of the report provides a general background to the taxi market in Manchester and the relevant legislation governing the market.

2.2 Manchester

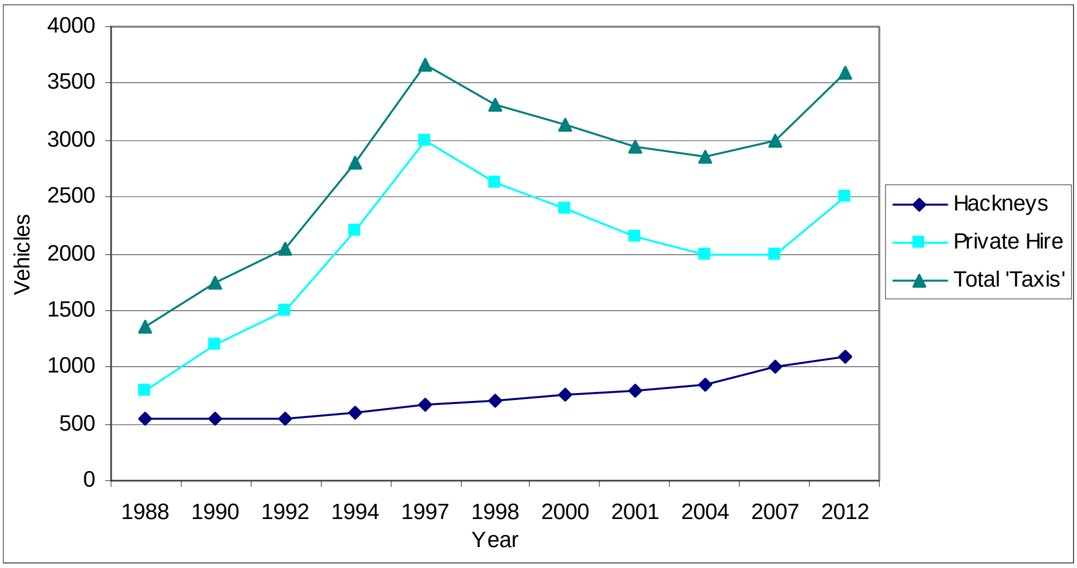
Manchester is a metropolitan district located in Lancashire in the north west of England with a resident population of 503,129 (2011 Census).

2.3 Background to the Hackney Carriage Market in Manchester

MCC currently licences 1,088 full-time hackney carriages vehicles, of which 100% are wheelchair accessible vehicles. This provides Manchester with a hackney carriage provision of one hackney per 462 resident population. MCC currently only allows London style hackneys and the Mercedes Vito to be licensed as hackney carriages.

The private hire fleet consists of approximately 2,500 vehicles. In view of the size of this fleet relative to the hackney carriage fleet, it is evident that this is the dominant force in the Manchester taxi market. The graph in Figure 2.1 provides an illustration of the trend in hackney carriages as well as private hire numbers. This indicates that hackney carriage numbers have increased fairly consistently since 1992. Between 1997 and 2004 the private hire fleet decreased. However since 2007 it has started to rise again.

Figure 2.1 Trends in Hackney Carriage and Private Hire Car Numbers (1988 - 2012)



Manchester City Council has historically limited the number of hackney licences with a policy of managed growth. Despite the DfT in its Best Practice Guidance encouraging local authorities to remove their entry control policy Manchester City Council has consistently undertaken a policy of controlled expansion which has given it a level of provision comparable to a de restricted authority.

2.4 Comparison with the Core Cities

In order to assess the current level of taxi provision in Manchester, it is necessary to benchmark Manchester again other similar authorities. In this instance the Core cities have been used as a comparison comprising Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

Manchester has been benchmarked against these authorities on the following characteristics;

- Population per hackney;
- Fares; and
- Ratio of private hire vehicles to hackney carriage vehicles.

Figure 2.2 demonstrates that Manchester has the third lowest number of people per hackney carriage, thereby indicating that it has one of the higher provisions of the authorities shown. Liverpool has the lowest number of people per hackney carriage, and therefore the best provision, whilst Leeds has the highest number of people per hackney carriage, therefore the lowest provision of the core cities.

Figure 2.2 Population per hackney

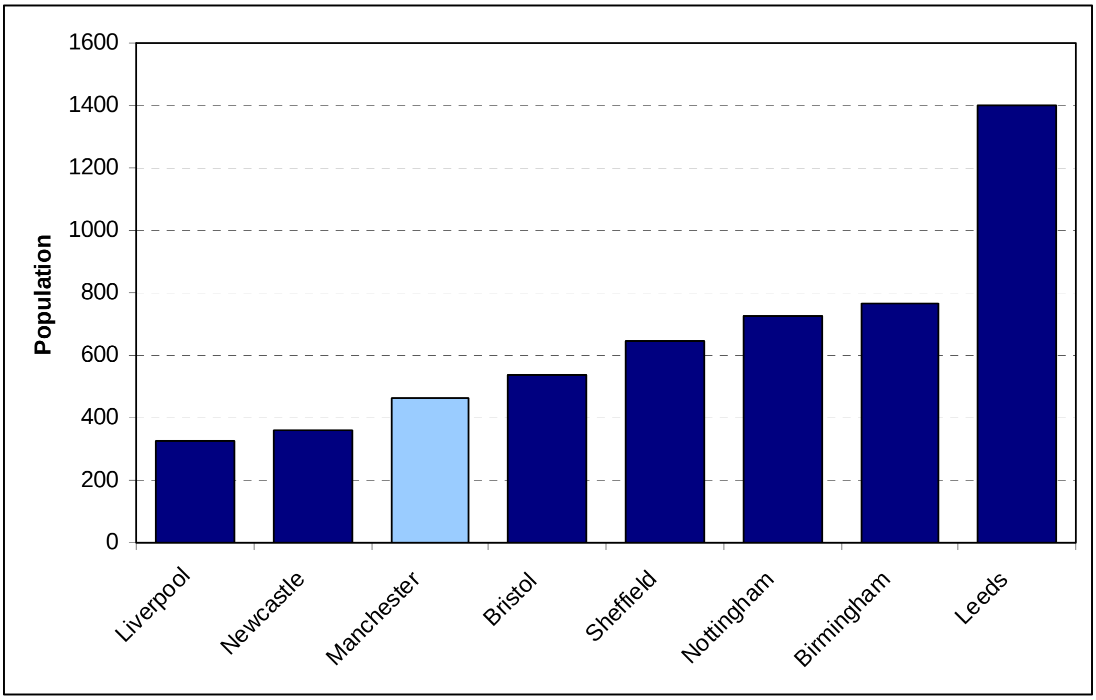


Figure 2.3 documents the total fleet size for the Core Cities. Birmingham has the largest total fleet size (6,347 vehicles), however, Liverpool has the largest hackney carriage fleet (1,426 vehicles), whilst Leeds has the largest private hire vehicle fleet (5,208 vehicles). Manchester has the third largest fleet overall and third largest hackney carriage fleet.

Figure 2.3 Fleet Size

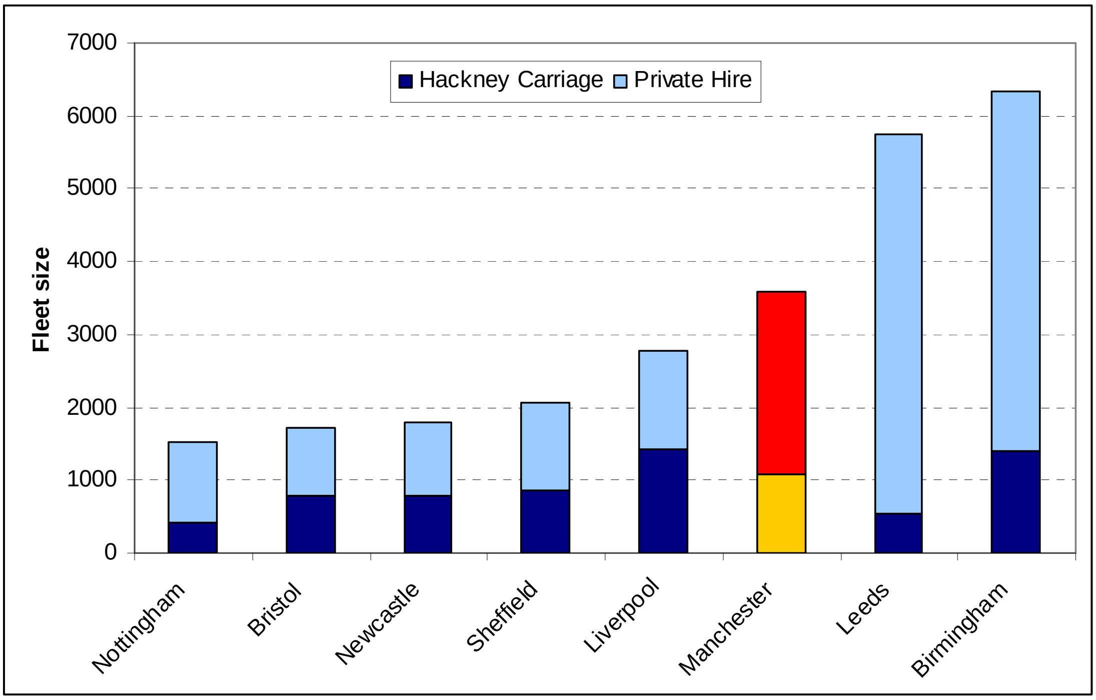
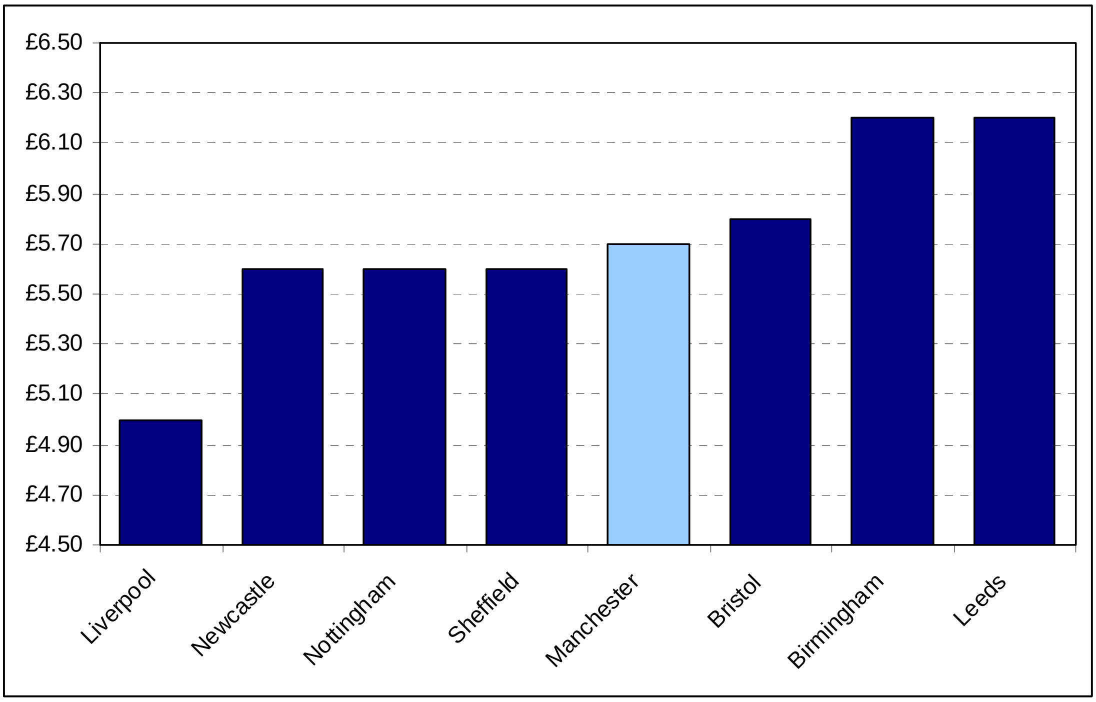


Figure 2.4 details the average fare for a two mile journey across the core cities. The average cost of a journey across these cities is £5.71, thereby indicating that fares in Manchester are the average for the core cities. Leeds and Birmingham are the most expensive cities at £6.20 and Liverpool is the cheapest at £5.00.

Figure 2.4 Fleet Size



2.5 Provision of Hackney Carriage Stands

There are currently 49 official taxi ranks located throughout the Manchester licensing area; the locations and times of operation of each of the ranks are provided in Appendix 1.

2.6 Hackney Carriage Fares and Licence Premiums

Hackney carriage fares are regulated by the Local Authority. There are two tariffs across the following periods;

- Day (6am until 10pm)
- Night (10pm until 6am)

The standard charge tariff is made up of two elements; an initial fee (or 'drop') for entering the vehicle, and a fixed price addition for each mile or uncompleted part thereof travelled, plus fixed additions for waiting time. A standard two-mile daytime fare undertaken by one individual would therefore be £5.70. The tariffs are outlined in detail in the fare card is attached in Appendix 1.

The Private Hire and Taxi Monthly magazine publish monthly league tables of the fares for 363 authorities over a two mile journey. Each journey is ranked with one being the most expensive. The September 2012 table shows Manchester rated128th in the table, indicating that Manchester has slightly higher than average fares. Table 2.1 provides a comparison of where other authorities in Greater Manchester rank in terms of fares, showing that fares in Manchester are more expensive than neighbouring authorities.

Table 2.1 - Comparison of neighbouring authorities in terms of fares (Source Private Hire and Taxi Monthly, September 2012)

Local Authority	Rank
Manchester City Council	128
Stockport Metropolitan Borough Council	152
Oldham Metropolitan Borough Council	175
Salford City Council	225
Bolton Metropolitan Borough Council	229
Bury Metropolitan Borough Council	231
Trafford Metropolitan Borough Council	243
Wigan Metropolitan Borough Council	257
Tameside Metropolitan Borough Council	276
Rochdale Metropolitan Borough Council	317

Anecdotally it is reported that there is a premium of approximately £50,000 associated with hackney carriage licences in Manchester.

3 Definition, Measurement and Removal of Significant Unmet Demand

3.1 Introduction

Section 3 provides a definition of significant unmet demand derived from experience of over 100 unmet demand studies since 1987. This leads to an objective measure of significant unmet demand that allows clear conclusions regarding the presence of absence of this phenomenon to be drawn. Following this, a description is provided of the SUDSIM model which is a tool developed to determine the number of additional hackney licences required to eliminate significant unmet demand, where such unmet demand is found to exist. This method has been applied to numerous local authorities and has been tested in the courts as a way of determining if there is unmet demand for hackney carriages.

3.2 Overview

Significant Unmet Demand (SUD) has two components:

- Patent demand – that which is directly observable; and
- 'suppressed' demand – that which is released by additional supply.

Patent demand is measured using rank observation data. Suppressed (or latent) demand is assessed using data from the rank observations and public attitude interview survey. Both are brought together in a single measure of unmet demand, ISUD (Indic of Significant Unmet Demand).

3.3 Defining Significant Unmet Demand

The provision of evidence to aid licensing authorities in making decisions about hackney carriage provision requires that surveys of demand be carried out. Results based on observations of activity at hackney ranks have become the generally accepted minimum requirement.

The definition of significant unmet demand is informed by two Court of Appeal judgements:

- R v Great Yarmouth Borough Council ex p Sawyer (1987); and
- R v Great Castle Point Borough Council ex p Maude (2002).

The Sawyer case provides an indication of the way in which an Authority may interpret the findings of survey work. In the case of Sawyer v Yarmouth City Council, 16 June 1987, Lord Justice Woolf ruled than an Authority is entitled to consider the situation from a temporal point of view as a whole. It does not have to condescend into a detailed consideration as to what may be the position in every limited part of the Authority in relation to the particular time of day. The authority is required to give effect to the language used by the Section (Section 16) and can ask itself with regard to the area as a whole whether or not it is satisfied that there is no significant unmet demand.

The term 'suppressed' or 'latent' demand has caused some confusion over the years. It should be pointed out that following Maude v Castle Point Borough Council, heard in the Court of Appeal in October 2002, the term is now interpreted to relate purely to that demand that is measurable. Following Maude, there are two components to what Lord Justice Keene prefers to refer to as 'suppressed demand':

- What can be determined inappropriately met demand. This is current observable demand that is being met by, for example, private hire cars illegally ranking up; and
- That which arises if people are forced to use some less satisfactory method of travel due to the unavailability of a hackney carriage.

If demand remained at a constant level throughout the day and week, the identification and treatment of significant unmet demand would be more straight-forward. If there were more cabs than required to meet the existing demand there would be queues of cabs on ranks throughout the day and night and passenger waiting times would be zero. Conversely, if too few cabs were available there would tend to be queues of passengers throughout the day. In such a case it would, in principle, be a simple matter to estimate the increase in supply of cabs necessary to just eliminate passenger queues.

Demand for hackney carriages varies throughout the day and on different days. The problem, introduced by variable demand, becomes clear when driver earnings are considered. If demand is much higher late at night than it is during the day, an increase in cab supply large enough to eliminate peak delays will have a disproportionate effect on the occupation rate of cabs at all other times. Earnings will fall and fares might have to be increased sharply to sustain the supply of cabs at or near its new level.

The main implication of the present discussion is that it is necessary, when considering whether significant unmet demand exists, to take account of the practicability of improving the standard of service through increasing supply.

3.4 Measuring Patent Significant Unmet Demand

Taking into account the economic, administrative and legal considerations, the identification of this important aspect of significant unmet demand should be treated as a three stage process as follows:

- Identify the demand profile;
- Estimate the passenger and cab delays; and
- Compare estimated delays to the demand profile.

The broad interpretation to be given to the results of this comparison are summarised in Table 3.1.

Table 3.1 – Existing of SUD determined by comparing demand and delay profiles

Demand is:	Delays during peak only	Delays during peak and other times
Highly peaked	No SUD	Possibly a SUD
Not highly peaked	Possibly a SUD	Possible a SUD

It is clear from from the content of the table that the simple descriptive approach fails to provide the necessary degree of clarity to support the decision making process in cases where the unambiguous conclusion is not achievable. However, it does provide the basis of a robust assessment of the principal component of significant unmet demand. The analysis is therefore extended to provide a more formal numerical measure of significant unmet demand. This is based on the principles contained in the descriptive approach but provides greater clarity. A description follows.

The measure feeds directly off the results of observations of activity at the ranks. In particular it takes account of:

- Case law that suggests an authority should take a broad view of the market;
- The effect of different levels of supply during different periods at the rank on service quality; and
- The need for consistent treatment of different authorities, and the same authority over time.

The Index of Significant Unmet Demand (ISUD) was developed in the early 1990's and is based on the following formula. The SF element was introduced in 2003 and the LDF element was introduced in 2006 to reflect the increased emphasis on latent demand in DfT Guidance.

ISUD = APD x PF x GID x SSP x SF x LDF

Where:

APD = Average Passenger Delay calculated across the entire week in minutes.

PF = Peaking Factor. If passenger demand is highly peaked at night the factor takes the value of 0.5. If it is not peaked the value is 1. Following case law this provides dispensation for the effects of peaked demand on the ability of the Trade to meet that demand. To identify high peaking we are generally looking for demand at night (at weekends) to be substantially higher than demand at other times.

GID = General Incidence of Delay. This is measured as the proportion of passengers who travel in hours where the delay exceeds one minute.

SSP = Steady State Performance. The corollary of providing dispensation during the peaks in demand is that it is necessary to focus on performance during "normal" hours. This is measured by the proportion of hours during weekday daytimes when the market exhibits excess demand conditions (i.e. passenger queues form at ranks).

SF = Seasonality Factor. Due to the nature of these surveys it is not possible to collect information throughout an entire year to assess the effects of seasonality. Experience has suggested that hackney demand does exhibit a degree of seasonality and this is allowed for by the inclusion of a seasonality factor. The factor is set at a level to ensure that a marginal decision either way obtained in an "untypical" month will be reversed. This factor takes a value of 1 for surveys conducted in September to November and March to June, i.e. "typical" months. It takes a value of 1.2 for surveys conducted in January and February and the longer school holidays, where low demand the absence of contract work will bias the results in favour of the hackney trade, and a value of 0.8 for surveys conducted in December during the pre Christmas rush of activity. Generally, surveys in these atypical months, and in school holidays, should be avoided.

LDF = Latent Demand Factor. This is derived from the public attitude survey results and provides a measure of the proportion of the public who have given up trying to obtain a hackney carriage at either a rank or by flagdown during the previous three months. It is measured as 1+ proportion giving up waiting. The inclusion of this factor is a tactical response to the latest DfT guidance.

The product of these six measures provides an index value. The index is exponential and values above the 80 mark have been found to indicate significant unmet demand. This benchmark was defined by applying the factor to the 25 or so studies that had been conducted at the point it was developed. These earlier studies had used the same principles but in a less structured manner. The highest ISUD value for a study where a conclusion of no significant unmet demand had been found was 72. The threshold was therefore set at 80. The ISUD factor has been applied to over 80 studies by Halcrow and has been adopted by others working in the field. It has proved to be a robust, intuitively appealing and reliable measure.

Suppressed/latent demand is explicitly included in the above analysis by the inclusion of the LDF factor and because any known illegal plying for hire by the private hire trade is included in the rank observation data. This covers both elements of suppressed/latent demand resulting from the Maude case referred to above and is intended to provide a 'belt and braces' approach. A consideration of latent demand is also included where there is a need to increase the number of hackney carriage licences following a finding of significant unmet demand. This is discussed in the next section.

3.5 Determining the Number of New Licences Required to Eliminate Significant Unmet Demand

To provide advice on the increase in licences required to eliminate significant unmet demand, Halcrow has developed a predictive model. SUDSIM is a product of 20 years experience of analysing hackney carriage demand. It is a mathematical model, which predicts the number of additional licences required to eliminate significant unmet demand as a function of key market characteristics.

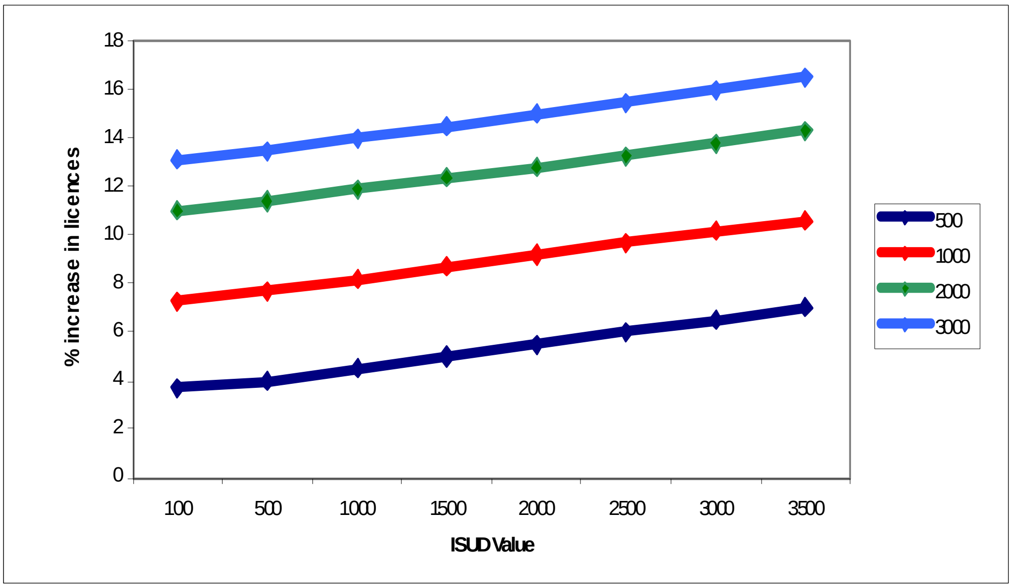
SUDSIM represents a synthesis of a queue simulation work that was previously used (1989 to 2002) to predict the alleviation of significant unmet demand and the ISUD factor described above (hence the term SUDSIM). The benefit of this approach is that it provides a direct relationship between the scale of the ISUD factor and the number of new hackney licences required.

SUDSIM was developed taking the recommendations from 14 previous studies that resulted in an increase in licences, and using these data to calibrate an econometric model. The model provides a relationship between the recommended increase in licences and three key market indicators:

- The population of the licensing authority;
- The number of hackneys already licensed by the licensing authority; and
- The size of the SUD factor.

The main implications of the model are illustrated in Figure 4.1 below. The figure shows that the percentage increase in a hackney fleet required to eliminate significant unmet demand is positively related to the population per hackney (PPH) and the value of the ISUD factor over the expected range of these two variables.

Figure 3.1 – Forecast increase in hackney carriage fleet size as a function of population per hackney (PPH) and the ISUD value



Where significant unmet demand is identified, the recommended increase in licences is therefore determined by the following formula:

New Licences = SUDSIM x Latent Demand Factor

Where:

Latent Demand Factor = (1 + proportion giving up waiting for a hackney at either a rank or via flagdown).

3.6 Note on Scope of Assessing Significant Unmet Demand

It is useful to note the extent to which a licensing authority is required to consider peripheral matters when establishing the existence or otherwise of significant unmet demand. This issue is informed by R v Brighton Borough Council, exp p Bunch

1989[1]. This case set the precedent that it is only those services that are exclusive to hackney carriages that need concern a licensing authority when considering significant unmet demand. Telephone booked trips, trips booked in advance or indeed the provision of bus type services are not exclusive to hackney carriages and have therefore been excluded from consideration.

1 See Button JH 'Taxis – Licensing Law and Practice' 2nd edition Tottel 2006 P226-7

4 Evidence of Patent Unmet Demand – Rank Observation Results

4.1 Introduction

This section of the report highlights the results of the rank observation survey. The rank observation program covered a period of 439 hours during June 2012. Some 56,830 passengers and 36,269 departures were recorded. A summary of the rank observation programme is provided in Appendix 2.

The results presented in this section summarise the information and draw out its implications. This is achieved by using five indicators:

- The Balance of Supply and Demand – this indicates the proportion of the time that the market exhibits excess demand, equilibrium and excess supply;
- Average Delays and Total Demand – this indicates the overall level of passengers and cab delays and provides estimates of total demand;
- The Demand/Delay Profile – this provides the key information required to determine the existence or otherwise of significant unmet demand;
- The Proportions of Passengers Experiencing Given Levels of Delay – this provides a guide to the generality of passenger delay; and
- The Effective Supply of Vehicles – this indicates the proportion of the fleet that was off the road during the survey.

4.2 The Balance of Supply and Demand

The results of the analysis are presented in Table 4.1 below. The predominant market state is one of equilibrium. Excess supply (queues of cabs) was experienced during 39% of the hours observed while excess demand (queues of passengers) was experienced 9% of the hours observed. Conditions are favourable to customers at all times of the day with most favourable time being the weekday and weekday night periods.

Table 4.1 – The balance of supply and demand in the Manchester rank-based hackney carriage market (percentage of hours observed)

Period		Excess Demand (Max Passenger Queue ≥ 3)	Equilibrium	Excess Supply (Min Cab Queue ≥ 3)
Weekday	Day	9	57	34
	Night	9	54	38
Weekend	Day	0	43	57
	Night	11	52	37
Sunday	Day	20	60	20
Total 2012		**9**	**52**	**39**
Total 2007		**22**	**55**	**23**

NB – Excess Demand = Maximum passenger queue ≥3. Excess Supply = Minimum Cab Queue ≥3 – values derived over 12 time periods within an hour.

As detailed in Table 4.1 it is clear that the conditions have become more favourable to passengers since the last study. The number of hours where excess demand was observed have reduced from 22% to 9%.

4.3 Average Delays and Total Demand

The following estimates of average delays and throughput were produced for each rank in Manchester (Table 4.2).

The survey suggests some 56,830 passenger departures occur per week from ranks in Manchester involving some 36,269 cab departures. The taxi trade is concentrated at the rank at Piccadilly Station accounting for 34% of the total passenger departures. On average cabs wait 14.41 minutes for a passenger. On average passengers wait 0.45 minutes for a cab.

Since the last survey was undertaken the rank based market has continued to decline. However passenger delay has also reduced meaning that passengers have to wait less time to obtain their vehicle in 2012 compared to 2007. Passenger departures have reduced at the Airport, however they have increased at Piccadilly Station.

Table 4.2 Average Delays and Total Demand (Delays in Minutes)

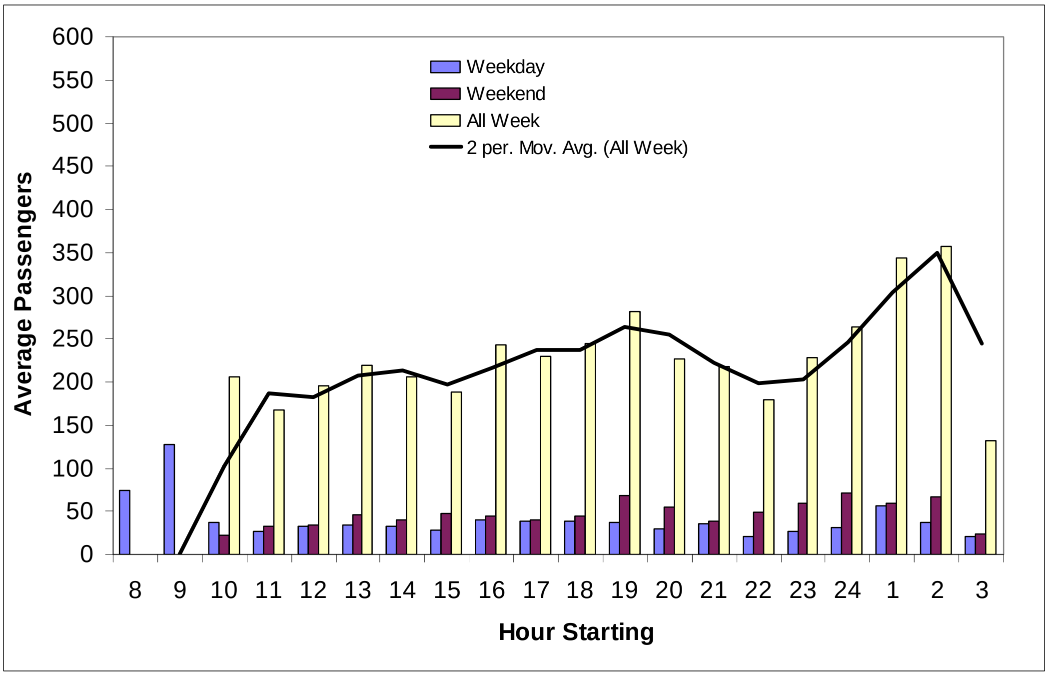
Rank	Passenger Departures	Cab Departures	Average Passenger Delay in Minutes	Average Cab Delay in Minutes
Albert Square	1,316 (3,826)	707	0.00	37.41
St Mary's Gate	1,375 (1,943)	893	0.00	34.97
High Street	3,189 (3,118)	2,086	0.00	27.63
Deansgate Renaissance	2,092 (5,040)	1,226	1.84	14.74
Chorlton Street	999 (1,527)	740	0.00	26.78
Airport Terminal 3	4,312 (4,581)	3,219	0.13	10.52*
Airport Terminal 1	3,750 (8,238)	2,304	0.04	17.83*
Airport Terminal 2	2,784 (2,052)	1,599	2.33	7.01*
Peter Street (Bar 38)	1,109 (1,968)	587	0.03	21.69
Piccadilly Rail Station	19,109 (14,748)	13,647	0.59	9.20
Victoria Rail Station	3,076 (4,422)	2,028	0.00	20.71
Corporation Street	1,764	990	0.00	18.40
Deansgate Locks	5,953 (1,646)	2,466	1.84	14.74
Portland Street	1,388 (4,704)	1,029	0.00	20.34
Sackville Street	567 (150)	284	0.00	7.70
Wythenshaw	403 (818)	236	2.57	10.14
Byrom Street	383	281	0.00	18.80
Cross Street	658	428	0.00	9.28
Garden Street/Well Street	1,418	689	0.00	15.16
Peter Street (Midland)	629	425	0.00	15.99
Peter Street (Radisson)	557	405	0.00	14.61
Total 2012	**56,830**	**36,269**	**0.45**	**14.41**
Total 2007	**58,781**	**38,936**	**1.41**	**10.22**

** the cab delay figure at the airport is based on cab delay at the rank not the feeder park. Average delay at the feeder park is 85 minutes*

4.4 The Delay/Demand Profile

Figure 4.1 provides a graphical illustration of passenger demand for the Monday to Saturday period between the hours of 07:00 and 04:00.

Figure 4.1 Passenger Demand by Time of Day in 2012 (Monday to Saturday)



The profile of demand shows a peak in demand at 2am and late at night. We therefore conclude that this is a 'highly peaked' demand profile. This has implications for the interpretation of the results (see Chapter 9 below.

Figure 4.2 Passenger Delay by Time of Day in 2012(Monday to Saturday)

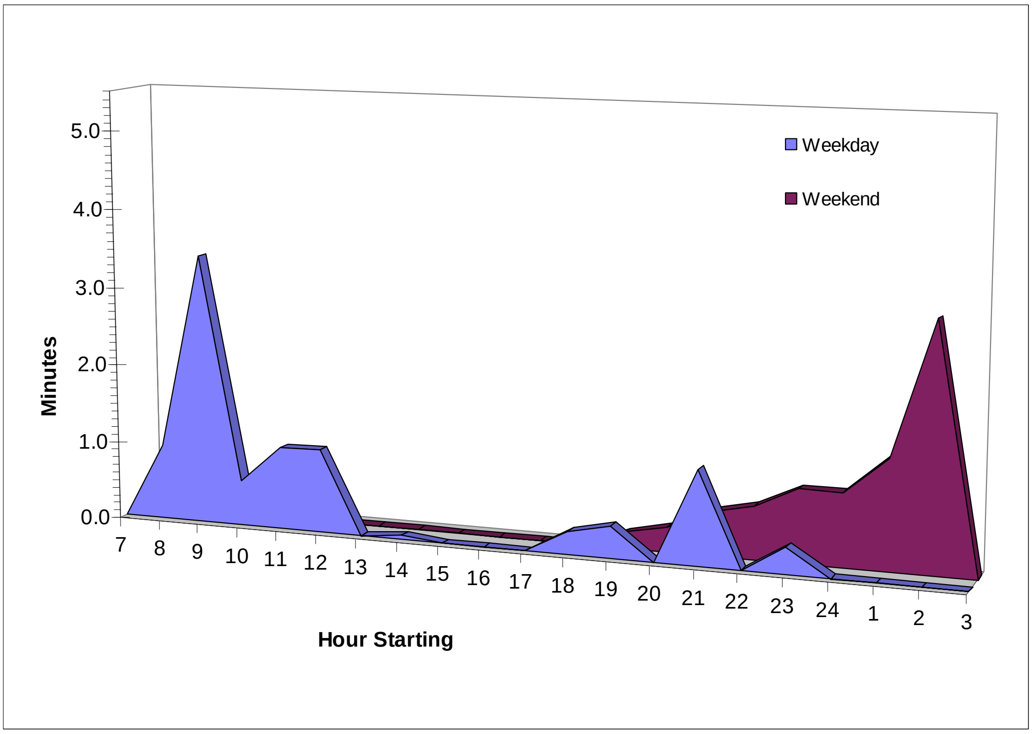


Figure 4.2 provides an illustration of passenger delay by the time of day for the weekday and weekend periods. It shows that delay peaks on weekday mornings and during the night on weekends.

4.5 The General Incidence of Passenger Delay

The rank observations data can be used to provide a simple assessment of the likelihood of passenger encountering delay at rank. The results are presented in Table 4.3 below.

Table 4.3 – General incidence of passenger delay (percentage of passengers travelling in hours where delay exceeds one minute)

Year	Delay > 0	Delay > 1 min	Delay > 5 min
2012	4.89	3.48	0.96

In 2012 3.48% passengers are likely to experience more than a minute of delay. It is this proportion (3.48%) that is used within the ISUD as the 'Generality of Passenger Delay'.

4.6 The Effective Supply of Vehicles

Observers were required to record the hackney carriage licence plate number of vehicles departing from ranks. In this way we were able to ascertain the proportion of the fleet that was operating during the survey.

During the daytime period (06:00 to 18:00) some 865 (79.5%) of the hackney fleet were observed at least once during the period of the study. During the evening/night-time period (18:00 – 06:00) some 900 (82.7%) of the hackney fleet were also observed at least once during the rank observations.

Comparing the results for Manchester with those of other unmet demand studies

Comparable statistics are available from xx local authorities that Halcrow have recently conducted studies in and these are listed in Table 4.4. The table highlights a number of key results including:

- Population per hackney carriage at the time of the study (column one);
- The proportion of rank users travelling in hours in which delays of greater than zero, greater than one minute and greater than five minutes occurred (columns two to four);
- Average passenger and cab delay calculated from the rank observations (columns five to six);
- The proportion of Monday to Thursday daytime hours in which excess demand was observed (column seven);
- The judgement on whether rank demand is highly peaked (column eleven); and
- A numerical indicator of significant unmet demand.

4.7 Summary

The following points (obtained from the rank observations) may be made about the results in Manchester compared to other areas studied:

- Population per hackney carriage is lower than the average overall value, i.e. provision is better;
- The proportion of passengers who travel in hour where some delay occurs is much lower than the average for the districts analysed;
- Overall average passenger delay at 0.45 minutes is lower than the average value (0.73 minute);
- Overall cab delay at 14.41 minutes is higher than the average for the districts shown (14.28 minutes); and
- The proportion of weekday daytime hours with excess demand conditions observed was 9% which is higher than the average of 6%.

Table 4.4	A Comparison of Manchester with Other Authorities Studied (values in italics make up ISUD)								
District and Year of Survey	**Population per Hackney**	**Proportion Waiting at Ranks**	***Proportion Waiting >= 1 Min***	**Proportion Waiting >= 5 Mins**	***Average Passenger Delay***	**Average Cab Delay**	***% Excess Demand***	***Demand Peaked, Yes=0.5 No=1***	**ISUD Indicator Value**
Manchester 2012	**462**	**4.89**	***3.48***	**0.96**	***0.45***	**14.41**	***9***	***0.5***	**9**
Southend-on-Sea 12	629	5	*3.68*	0.37	*0.41*	14.57	*4*	*1.0*	3
Chorley 12	2,978	6	*0.00*	0.00	*0.02*	15.90	*0*	*1.0*	0
Torridge 12	1,306	3	*0.00*	0.00	*0.11*	16.76	*0*	*1.0*	0
Braintree 12	1,714	3	*0.63*	0.05	*0.09*	22.57	*0*	*1.0*	0
Torbay 11	777	3	1.42	0.10	0.16	21.45	0	*0.5*	0
Wirral 11 *	1,080	4	0.41	0.16	0.12	20.19	0	*0.5*	0
Carrick 11	1,145	9	*5.55*	0.00	*0.39*	9.92	*4*	*0.5*	5
Penwith 11	1,261	14	*6.66*	2.29	*0.96*	7.98	*12*	*0.5*	41
Restormel 11	1,408	4	*3.41*	0.00	*0.26*	13.54	*0*	*0.5*	0
York 11	1,118	14	*5.96*	0.77	*0.93*	8.25	*9*	*1.0*	59
Crawley 11	924	6	*6.28*	0.64	*0.18*	21.88	*5*	*1.0*	6
Liverpool 11	308	5	*2.13*	0.37	*0.14*	20.64	*1*	*1.0*	0
West Berkshire 10 *	741	5	*3.84*	0.92	*0.37*	22.78	*3*	*0.5*	4
Sefton 10	1,015	7	*4.25*	0.55	*0.38*	19.15	*4*	*0.5*	2
Pendle 10	1,257	1	*0.03*	0.03	*0.03*	33.10	*0*	*0.5*	0
Oxford 09	1,266	10	*3.08*	0.07	*0.24*	10.43	*5*	*1.0*	4
Brighton & Hove 09	474	11	*5.67*	1.19	*0.72*	8.91	*7*	*0.5*	16
Leicester 09	880	10	*9.53*	2.58	*1.52*	19.02	*0*	*1.0*	0
Blackpool 09	556	4	*1.00*	0.00	*0.05*	18.96	*2*	*0.5*	1
Hull 09	1,465	12	*8.54*	0.99	*1.72*	9.34	*2*	*0.5*	18
Rochdale 09	1,937	3	*1.18*	0.00	*0.14*	12.92	*5*	*1.0*	1
North Tyneside 08	971	16	*1.18*	0.03	*0.38*	10.72	*8*	*0.5*	2
Rotherham 08	5,192	0	*0.09*	0.00	*0.01*	27.29	*0*	*1.0*	0
Preston 08	677	12	*5.28*	0.00	*0.61*	11.13	*7*	*1.0*	21
Scarborough 08	1,111	12	*5.00*	1.06	*0.49*	7.74	*7*	*0.5*	0
York 08	1,146	31	*11.50*	6.74	*3.21*	5.42	*31*	*0.5*	645
Barrow 08	474	14	*12.52*	0.00	*0.50*	6.85	*0*	*0.5*	0
Stirling 08	1,265	25	*18.00*	0.30	*0.70*	10.94	*2*	*0.5*	38
Torridge 08	1,202	7	*0.94*	0.00	*0.12*	14.99	*0*	*1.0*	0
Richmondshire 08	723	5	*1.00*	0.07	*0.22*	34.32	*1*	*0.5*	0.4
Exeter 07/08	1,883	7	*4.00*	0.60	*0.33*	15.27	*6*	*1.0*	9
Manchester 07	394	21	*6.00*	2.28	*1.59*	10.24	*14*	*1.0*	174
Bradford 07	1,630	18	*2.00*	0.03	*0.23*	17.64	*5*	*1.0*	2
Barnsley 07	3,254	5	*8.00*	0.22	*1.32*	11.93	*5*	*1.0*	58
Blackpool 06	556	31	*10.00*	0.34	*0.42*	10.34	*5*	*0.5*	11
Broadstairs 06	1,000	13	*13.00*	10.00	*3.25*	23.97	*4*	*1.0*	177
Margate 06	1,622	4	*1.00*	0.00	*0.05*	33.14	*0*	*1.0*	0
Ramsgate 06	1,026	2	*2.00*	2.00	*0.49*	19.57	*13*	*1.0*	13
Plymouth 06	669	7	*3.00*	1.00	*0.52*	11.58	*1*	*1.0*	2
Brighton 06	508	52	*23.00*	6.00	*0.73*	7.64	*6*	*0.5*	50
Thurrock 06	1,590	32	*13.00*	1.00	*0.22*	15.27	*0*	*1.0*	0
Trafford 06	2,039	55	*38.00*	6.00	*1.09*	13.15	*5*	*1.0*	249
Leicester05	880	21	*11.00*	1.00	*0.35*	19.36	*3*	*1.0*	12

District and Year of Survey	Population per Hackney	Proportion Waiting at Ranks	*Proportion Waiting >= 1 Min*	Proportion Waiting >= 5 Mins	*Average Passenger Delay*	Average Cab Delay	*% Excess Demand*	*Demand Peaked, Yes=0.5 No=1*	ISUD Indicator Value
Bournemouth 05	656	20	*11.00*	2.00	*0.37*	12.25	*1*	*0.5*	2
Bradford 03	2,171	19	*6.00*	0.77	*0.25*	14.89	*6*	*1.0*	9
Oldham 03	2,558	30	*12.00*	0.79	*0.48*	14.80	*7*	*1.0*	40
Thurrock 03	1,607	43	*14.00*	1.01	*0.50*	12.50	*2*	*1.0*	14
Blackpool 03	556	21	*4.00*	0.30	*0.13*	12.40	*6*	*1.0*	3
Wolverhampton 03	3,113	50	*31.00*	7.39	*1.49*	11.18	*14*	*1.0*	647
Carrick 02	1,335	28	*18.00*	7.00	*0.61*	10.53	*9*	*1.0*	99
Bournemouth 02	702	25	*15.00*	2.00	*0.67*	9.97	*1*	*0.5*	5
Brighton 02	540	60	*35.00*	12.00	*1.11*	8.31	*5*	*0.5*	97
Exeter 02	2,353	47	*18.00*	3.00	*0.71*	10.12	*20*	*1.0*	256
Wigan 02	2,279	28	*10.00*	0.00	*1.17*	11.98	*6*	*1.0*	70
Cardiff 01	656	51	*29.00*	6.00	*0.83*	8.77	*14*	*0.5*	168
Edinburgh 01	373	47	*29.00*	9.00	*1.27*	8.77	*13*	*1.0*	479
Torridge 01	1,298	25	*21.00*	0.00	*0.51*	9.32	*8*	*0.5*	43
Worcester 01*	941	40	*4.00*	1.00	*0.46*	12.30	*8*	*0.5*	7
Ellesmere Port 01	2,527	80	*48.00*	17.00	*2.49*	4.23	*49*	*0.5*	2,928
Southend 00	895	46	*29.00*	8.00	*1.92*	8.08	*4*	*1.0*	223
South Ribble 00 *	485	12	*0.25*	0.25	*0.07*	11.27	*0*	*1.0*	0
Leeds 00	1,693	83	*61.00*	33.00	*5.03*	7.92	*36*	*1.0*	11,046
Sefton 00	1,069	18	*8.00*	0.60	*0.28*	12.95	*6*	*1.0*	13
Leicester 00 *	956	10	*7.00*	3.00	*1.17*	20.19	*1*	*1.0*	8
Castle Point 00	2,286	28	*11.66*	3.02	*0.74*	8.60	*2*	*0.5*	9
AVERAGE	**1,296**	**20**	**10.43**	**2.54**	**0.73**	**14.28**	**6**		

KEY * Derestricted Authorities

5 Evidence of Suppressed Demand – Public Attitude Pedestrian Survey Results

5.1 Introduction

A public attitude survey was designed with the aim of collecting information regarding opinions on the taxi market in Manchester. In particular, the survey allowed an assessment of flagdown, telephone and rank delays, the satisfaction with delays and general use information.

Some 397 on-street public attitude surveys were carried out in July and August 2012. The surveys were conducted across a range of locations within the Manchester licensing area.

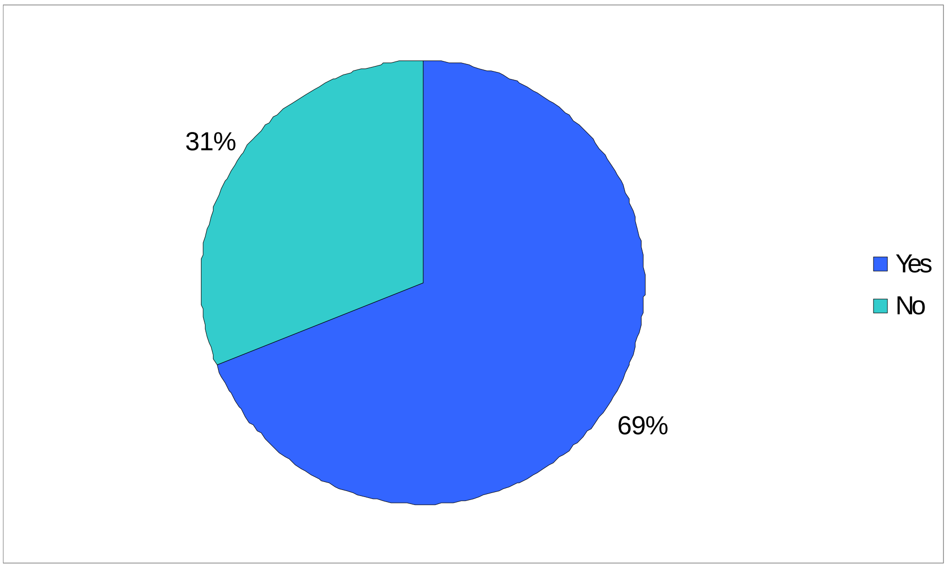
It should be noted that in the tables and figures that follow the totals do not always add up to the same amount which is due to one of two reasons. First, not all respondents were required to answer all questions; and second, some respondents failed to answer some questions that were asked.

A full breakdown and analysis of the results are provided in Appendix 3.

5.2 General Information

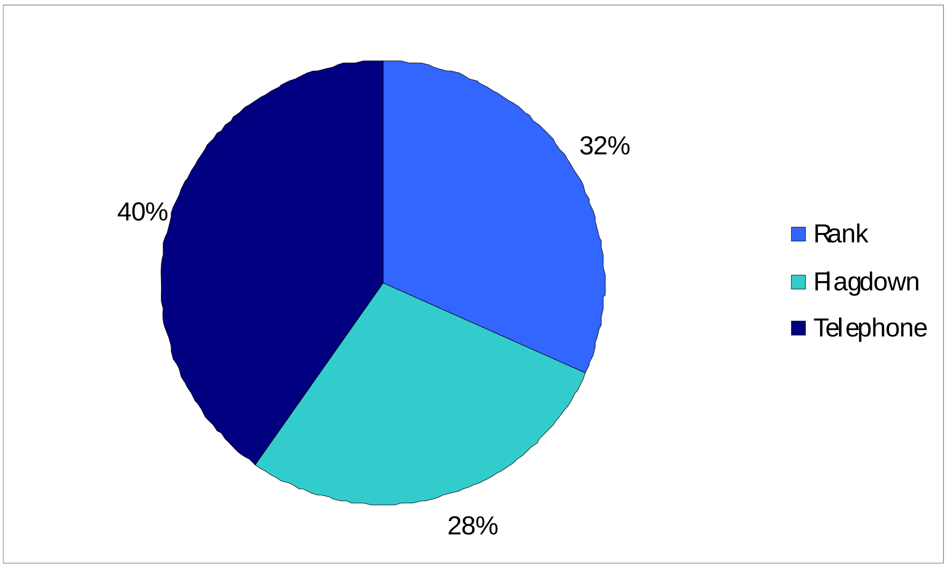
Respondents were asked whether they had made a trip by taxi in the past three months. Figure 5.1 shows that 68.9% of people surveyed had made a trip by taxi in the last three months.

Figure 5.1 – Have you made a trip by taxi in the last three months?



Trip makers were asked how they obtained their hackney carriage or private hire vehicle. Some 31.7% of trip makers stated that they hired their taxi at a rank. Some 40.3% of hirings were achieved by telephone with 28% of trip makers obtaining a taxi by on-street flagdown. Figure 5.2 reveals the pattern of hire.

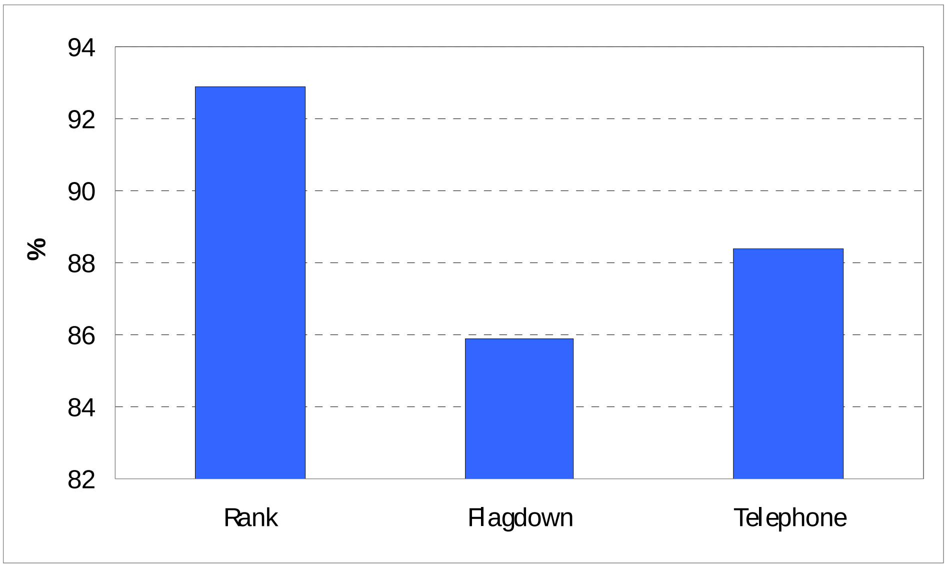
Figure 5.2 – Method of hire for last trip



Those respondents obtaining their vehicle from a rank were asked which rank they had used and why. The most commonly used ranks were Deansgate, Piccadilly and the Printworks, with the most common reason being this was the rank most conveniently located at the time.

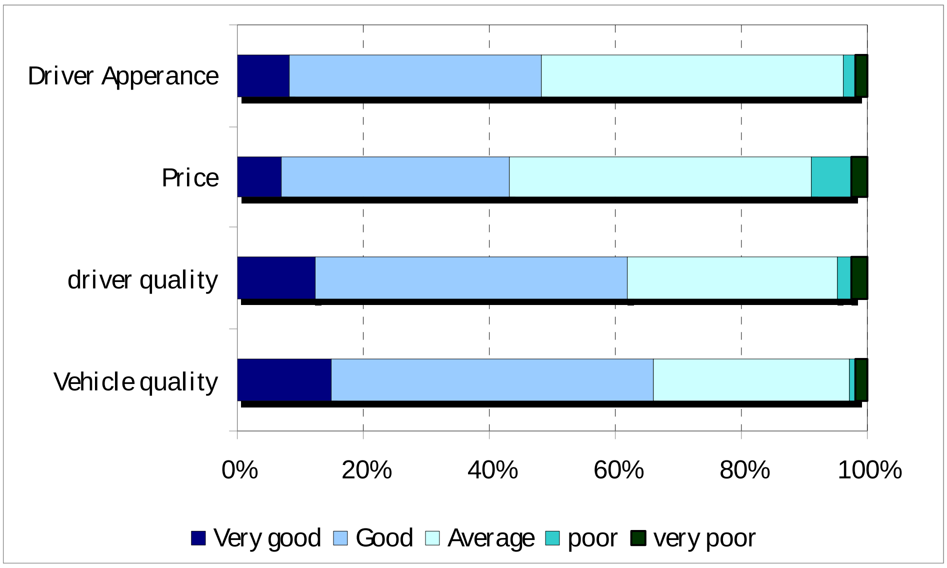
Respondents were asked if they were satisfied with the time taken and the promptness of the vehicles arrival. The majority of people were satisfied with their last taxi journey (89%). Figure 5.3 shows that for each method of obtaining a vehicle, the majority were satisfied with the length of time they had to wait. Those obtaining their taxi at a rank provided the highest levels of satisfaction.

Figure 5.3 – Satisfaction with delay on last trip by method of hire



Respondents were asked to rate four elements from their last taxi journey on a scale from very poor to very good. The results in figure 5.4 show respondents generally consider vehicle quality and driver quality to be good or average.

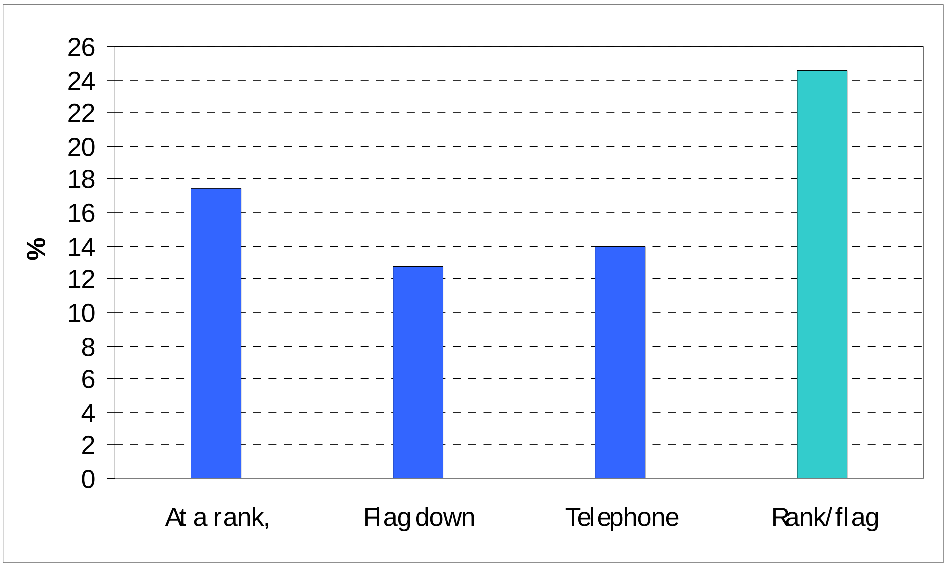
Figure 5.4 – Rating of last journey



5.3 Attempted method of hire

In order to measure demand suppression, respondents were asked to identify whether or not they had given up waiting for a hackney carriage or private hire vehicle at a rank, on the street, or by telephone in Manchester in the last three months. The results are summarised in Figure 5.5.

Figure 5.5 – Latent demand by method of hire – Given up trying to make a hiring?



As indicated in Figure 5.5, some 24.6% of respondents had given up waiting for a hackney at a rank and/or by flagdown in the last three months. This has implications for the interpretation of the results (see Chapter 8 below).

Respondents who had given up trying to obtain a taxi in the last three months were asked the location where they had given up waiting for a taxi. The most common areas were Deansgate, Piccadilly station and the Printworks at night.

5.4 Service Provision

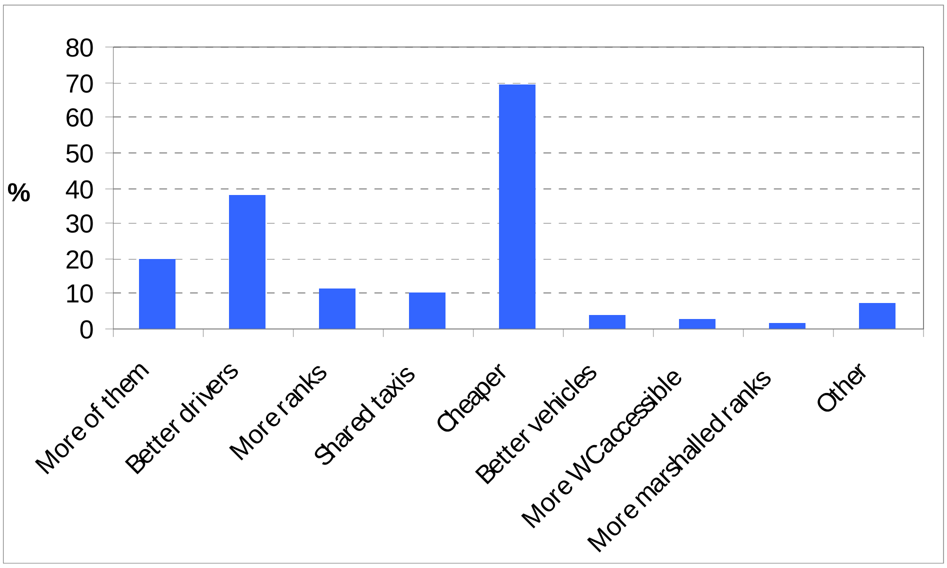
The difference between a hackney carriage and private hire vehicle was explained to each respondent prior to asking participants whether they feel there are enough hackney carriages in Manchester at the current time. Some 69% commented that there are sufficient, 7.9% felt more were required in Manchester and 23.1% were unsure.

The survey then asked respondents whether hackney carriage services in Manchester could be improved. Some 67.7% felt that they could be improved. These respondents were then asked what could be done to improve the service. The results are shown in Figure 5.6.

The graph shows that the majority of responses felt that taxis should be cheaper. Of those who stated 'other' responses included:

- British drivers
- Better knowledge of the area
- Women drivers
- Better language and communication skills

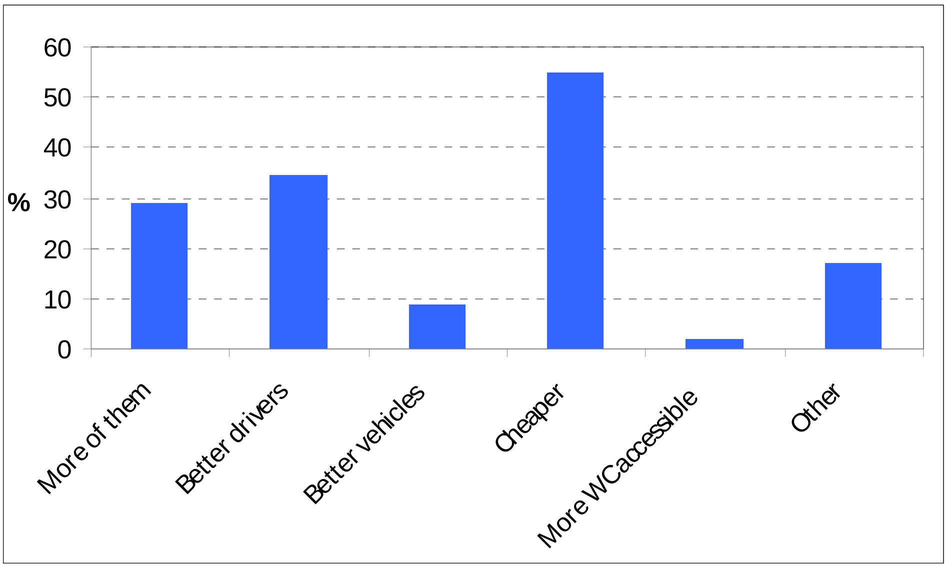
Figure 5.6 – How could hackney carriage services be improved (multiple responses)



The survey also asked respondents whether private hire services in Manchester could be improved. Some 43.6% felt that they could be improved. These respondents were then asked what could be done to improve the service. The results are shown in Figure 5.7. The majority of responses felt that taxis could be cheaper. Of those who stated 'other' responses included:

- Better language and communication skills
- More polite and helpful operators
- Be more punctual

Figure 5.7 – How could private hire services be improved? (multiple responses)



5.5 Safety

Respondents were asked whether they felt safe whilst using hackney carriages both during the day and at night. The majority of respondents felt safe using them during the day (89.6%) and at night (75.7%). Those respondents who stated that they do not feel safe all or some of the time were asked what could be done to improve safety of using taxis in Manchester. The most common responses included;

- Female drivers
- Better drivers
- For drivers not to lock the doors

Respondents were also asked whether they feel safe whilst using private hire vehicles both during the day and at night. Again the majority of respondents felt safe using them during the day (87.2%) and at night (80.4%). Those respondents who stated that they do not feel safe all or some of the time were asked what could be done to improve safety of using taxis in Manchester. The most common responses included;

- Female drivers
- Better drivers

5.6 Ranks

Respondents were asked if there were any locations in Manchester where new ranks were needed. Over a third of respondents (35.7%) said that no new ranks were needed in Manchester. However, the 28.4% who stated they would like to see a new rank were subsequently asked to provide a location. The most commons locations included:

- Deansgate
- Piccadilly Gardens

- Printworks

5.7 Summary

Key points from the public attitude survey can be summarised as:

- Some 40.3% of hirings are from a rank;
- High levels of satisfaction with delay on last trip – hiring at a rank providing the highest levels;
- Some 24.6% of people had given up trying to obtain a taxi at a rank or by flagdown;
- Some 43.6% of people felt that taxi services could be improved – need to be cheaper; and
- Some 35.7% of people found that new ranks were not needed.

6 Consultation

6.1 Introduction

Guidelines issues by the DfT state that consultation should be undertaken with the following organisations and stakeholders:

- All those working in the market;
- Consumer and passenger (include disabled) groups;
- Groups which represent those passengers with special needs;
- The Police;
- Local interest groups such as hospitals or visitor attractions; and
- A wide range of transport stakeholders such as rail/bus/coach providers and transport managers.

In order to consult with relevant stakeholders across Manchester, face to face meetings and written consultation was undertaken.

6.2 Direct (Face to Face) Consultation

A number of stakeholders were invited to attend a series of face to face consultation sessions at Manchester Town Hall. This assured the DfT guidelines were fulfilled and all relevant organisations and bodies were provided with an opportunity to comment.

A summary of the responses received are provided below and in Appendix 4.

Hackney Carriage Trade

The attendees were in agreement that the existing managed growth policy works well and should be maintained. There were no concerns raised with regard to availability of hackneys in Manchester, the only really busy time is a Saturday night, but it was felt that there was still enough availability to cope with the work.

Some attendees felt that proprietors should have a wider choice of vehicles to licence; however, others felt that this would reduce the distinction between hackney carriage and private hire vehicles. It was suggested that if a vehicle is 'fit for purpose' in some local authorities then why not Manchester. It was noted that the public think that the Mercedes Vito is more expensive to travel in due to its size.

Driver quality was generally considered to be good, however, there was consensus that the knowledge test should be more stringent as taxi drivers are becoming too reliant on sat navs. Comment was made that the same set of questions was always used on the knowledge test.

Suggestions for new ranks included: MEN arena, near Manchester City Football Ground and in the Northern Quarter near Thomas Street/High Street at Blu Bar. The trade would also like some loading bays to be converted to ranks at night, an example of which would be on Queen Street and outside Kendalls department store.

Safety was not considered to be a major issue. Anti social behaviour was not an issue at ranks but it was felt that this was down to staggered opening hours and not the presence of the marshals.

The attendees were in favour of CCTV to record sound and images, however, there was concern as to who would have access to the images. and when would be an important issue for consideration, as would funding for installation of the cameras. It was felt that CCTV should not be a mandatory requirement.

The trade were unhappy with the signage for Arrow taxis at the Airport, especially Terminal 1.

Private Hire Trade

The attendees felt that there are currently too many hackney carriages, but not enough space to accommodate them and the existing limit should be maintained. Availability of vehicles was not considered to be an issue, only on very rare occasions with large events are services stretched, but there is a need to balance the amount of work whilst being able to make a living.

With regard to image of the trade the attendees suggested that private hire drivers have a loyalty to the brand and company they are driving for which encourages high standards, whilst this loyalty is not the same for hackney carriage drivers.

Training of drivers by the authority was considered to be poor and should be mandatory prior to being issued with a licence. Training should focus on customer excellence, a more stringent knowledge test and literacy.

The attendees felt there are too many illegal ranks. The illegal rank at the Hilton hotel is a big issue for private hire drivers as they struggle to pick up pre booked customers.

Safety was not considered to be a major issue and it was suggested that CCTV should be an option if the drivers wish to have it installed.

Disability Representatives

Adequacy of supply for disabled users was continued to be an issue at times, both for hackney carriages or when pre-booking. The attendees had had a mixture of both good and bad experiences using taxis in Manchester; however, it was felt there needs to be a better process in place to document the bad experiences. In some instances drivers are not trained well enough to use equipment properly, or have a bad attitude.

It was suggested that training could be provided by people with specific knowledge of impairment issues who could provide practical sessions which would allow training to be specific to the trade and give drivers a change to ask users directly about their experiences.

It was felt that people do not always know that they can complain about services, nor would know how to go about doing so. The council should provide information on how to complain, when to complain, what information they would need to provide, and what happens once a complaint has been made.

Some drivers were observed as being unable to use ramps, not harnessing wheelchair users properly and demonstrating poor health and safety.

Regeneration Representatives

The representative was not aware of any unmet demand issues, and felt that there is probably no need to remove the existing limit. The taxi trade may be the first image of Manchester for many visitors and as such it is important they are ambassadors for the city. Vehicle cleanliness was considered an issue for some private hire firms, although it was felt this is less of an issue for hackney carriages. The majority of drivers were considered smart and clean, however, it was suggested that some form of guidelines, though not a full dress code, may be useful.

Training was felt to be a big issue, and it was suggested that the knowledge test should be more stringent. General knowledge of key areas in Manchester, and knowledge of major events should be better, particularly when there are visitors to the city who may not know the area at all.

Safety was not considered to be a major issue and it was felt that taxi marshals have been successful in terms of reducing anti-social behaviour. It was suggested there potentially there is not enough advertising about taxis services, nor what to do in the event of a complain. It was also suggested that a mystery shopper exercise may be a useful way to monitor standards.

6.3 Indirect (Written) Consultation

A number of stakeholders were contacted by letter and email. This assured the DfT guidelines were fulfilled and all relevant organisations and bodies were provided with an opportunity to comment.

In accordance with advice issued by the DfT the following organisations were contacted:

- Manchester City Council;
- User/disability groups representing those passengers with special needs;
- Local interest groups including hospitals, visitor attractions, entertainment outlets and education establishments; and
- Rail bus and coach operators.

A summary of the responses received are provided below.

Chamber of Commerce

The Chamber considered the supply of hackney carriages to be adequate in the city centre, however, felt it was difficult to gauge whether this is adequate across all areas. It is important to limit supply to ensure that drivers earn a decent wage, and currently supply seems adequate.

The image of the trade was considered variable, but hackney carriage quality was perceived to be higher than private hire. The Chamber had no feedback on the location of ranks, but stated that as the city develops and regenerates it is important to keep this under review. Proper signage was considered important as was the use of taxi marshals which help the efficiency and safety of ranks at night. There is a perception, particularly at night that fares are high.

Greater Manchester Coalition of Disabled People

The overall consensus was that there is a plentiful supply of hackney carriages across Manchester on a day-to-day basis, however, there are not always enough that are able to accommodate the needs of wheelchair users. There can also be supply issues around the time of the school run.

Users were generally indifferent to the numerical limit, however, users did feel that there should be a greater number of vehicles that are wheelchair accessible, including some rear loading vehicles. Private hire availability was generally considered good as well.

Respondents felt that there can be issues with the quality of service received, whether this be taxis not turning up on time for an advanced booking, or the attitude of the driver towards disabled people. Training should be standardised for all drivers and operators, and drivers should be aware that accessible taxis are, for some disabled people, the only transport option available. Access also needs to be considered for those with impairments other than those using a wheelchair such as hearing or visual impairments.

Suggestions for new rank locations included Heaton Park, Manchester Fort, Crumpsall Park and Shudehill bus/tram station. Fares were generally considered to be expensive, and the tariffs confusing.

In order to improve safety a number of suggestions were put forward including mandatory training for drivers, CCTV, more advertising, better checks on drivers, clear guidance of loading and unloading wheelchair users and a factsheet for disabled people with an unambiguous guide to their rights and what to do if things go wrong that can be carried in cabs.

Manchester People First

Overall respondents felt that there were potentially too many hackney carriages in Manchester, but the supply of private hire vehicles was adequate. Quality of both vehicles and drivers was on the whole considered to be good, with drivers being friendly and helpful. However, it was suggested that training for disabled passengers and those travelling in wheelchairs would be a good idea.

Very few of the respondents used ranks as they tend to pre-book taxis by phone. All were in favour of more wheelchair accessible vehicles in both the hackney carriage and private hire fleets.

Fares were considered to be expensive, and sometimes inconsistent for the same journey. Safety was not considered a major issue, however, there have been a few instances where drivers have used a different route or driven too fast where passengers have been a little concerned. Taxi marshals at ranks were considered a very good idea by all.

Greater Manchester Centre for Voluntary Organisations

The representative stated that accessible hackney cabs (and minicabs) are often vital to access, mobility and independence for people with limited mobility and disabilities. Personal accessible transport including hackney and minicabs is likely to become increasingly important for some of these people as other forms of transport provision reduce or are withdrawn due to reducing public funding, and the 'personalisation' agenda continues to roll out. For example, some local authorities are changing, contracting out or reducing their transport provision in areas such as transport to adult social care. In Rochdale, the local authority is withdrawing transport to adult social care altogether. At the same time, people in receipt of the mobility component of Disability Living Allowance, direct payments or 'personalised' budgets will increasingly be able to / be expected to make decisions about and source their own transport. Hackney carriages and minicabs are two obvious potential options for people (and their carers) in these situations. I guess there is a question about to what extent the hackney / minicab industry is able / willing to respond to this area of demand, and if not, whether there is a supporting / enabling role for local authorities / other public bodies here.

7 Trade Survey

7.1 Introduction

A trade survey was designed with the aim of collecting information and views from both trades. In particular the survey allowed an assessment of operational issues and views of the hackney carriage market to supplement the rank observations, as well as covering enforcement and disability issues. The following Section summarises the results of the trade survey and full results are presented in Appendix 5.

7.2 Survey Administration

The survey was conducted through a self completion questionnaire. These were sent to all licensed hackney and private hire drivers and operators in Manchester. A total of 792 questionnaire forms were completed and returned, giving a response rate of around 13%.

It should be noted that not all totals sum to the total number of respondents per trade group as some respondents failed to answer all of the questions.

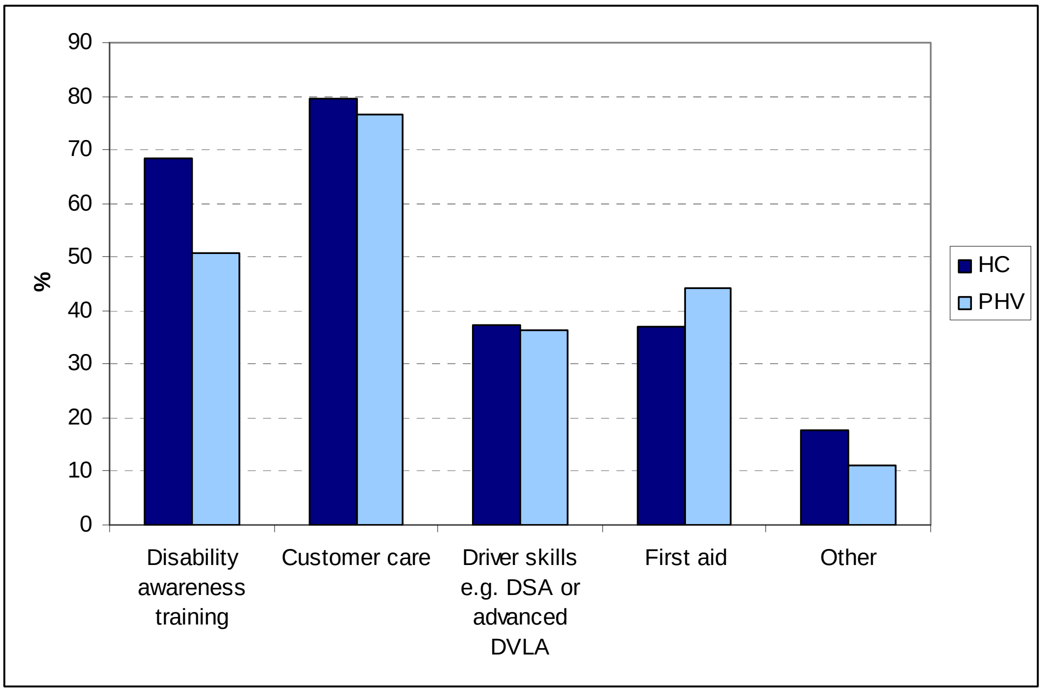
7.3 General Operational Issues

The responses have been disaggregated on a hackney carriage and private hire trade basis. Both trades were asked how long they have been involved in the taxi trade in Manchester. Some 48.1% of the hackney carriage respondents have been involved for under 10 years, while 35.5% of the private hire respondents have been involved for over 10 years.

Respondents were asked whether they thought that drivers should be required to undertake a knowledge test before obtaining their drivers licence. Some 95% of hackney respondents felt that both hackney and private hire drivers should have to undertake a knowledge test. Slightly less private hire respondents were of the same opinion (88.6% and 90.1% respectively.)

Respondents were asked for their views in relation to what additional training should be compulsory for drivers. Figure 7.1 demonstrates that the most common response for both trades was disability awareness training (68.3% and 50.7% of the hackney carriage and private hire trade respectively), and of those who stated other the most common suggestion was basic English language tests..

Figure 7.1 – Additional training for hackney and private hire trades (multiple responses)

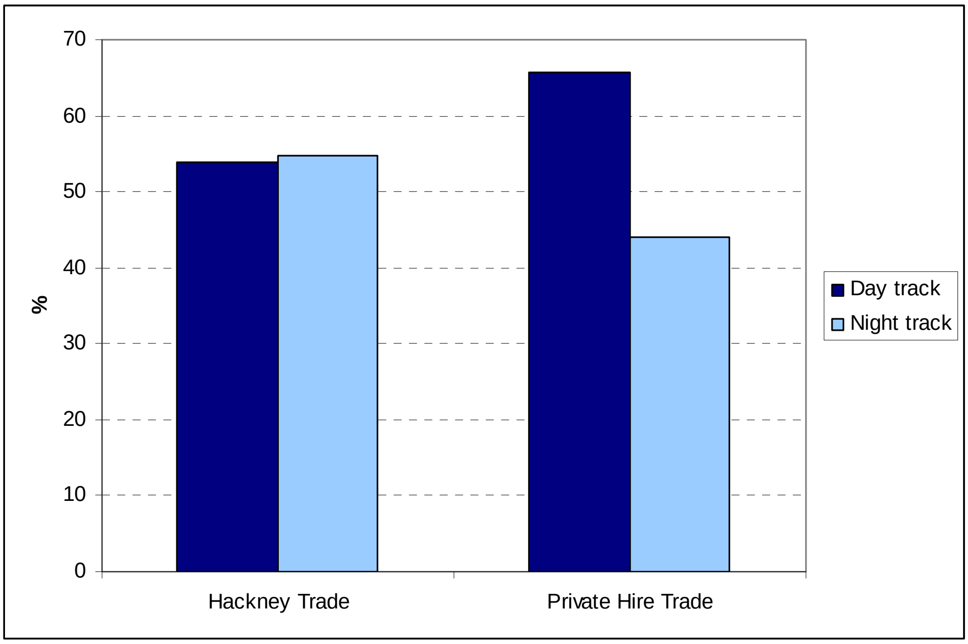


7.4 Driving

Drivers were asked what type of vehicle they drive most frequently. Some 85.4% of the hackney carriage trade drive a purpose built cab whilst 90.2% of the private hire trade generally drive saloon vehicles.

Drivers were asked which 'track' they drive. Figure 7.2 demonstrates that similar proportions of hackney carriage drivers work the day and night track, whilst for the private hire a slightly higher proportion or drivers work the day track (65.7%) in comparison to the night track (44.1%).

Figure 7.2 – Which track do you work?



Respondents were asked the average number of hours they work in a typical week. For those who responded to the question the hackney carriage trade generally work slightly longer hours than the private hire trade.

Figure 7.3 documents the average hours worked during the day time period (06:00-18:00) for each day of the week. On average, it shows that the hackney carriage trade work more hours than the private hire trade during the day. Figure 7.4 shows the average number of hours worked during the evening/night period (18:00-06:00). During the night time period both trades work longer on a Friday and Saturday night compared with other nights during the week.

Respondents were asked to state the number of times they carry wheelchair bound passengers on a weekly basis. Figure 7.5 shows the results. Some 23.3% of hackney carriage respondents and 45.5% of private hire respondents stated that they never carry wheelchair bound passengers.

Figure 7.3 – Average daytime hours worked

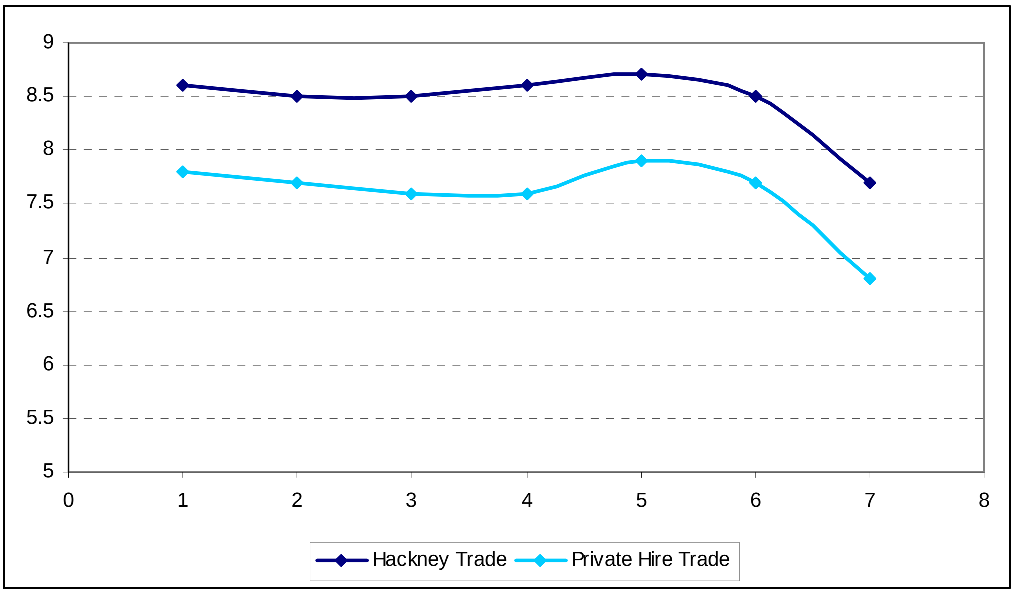


Figure 7.4 – Average night time hours worked

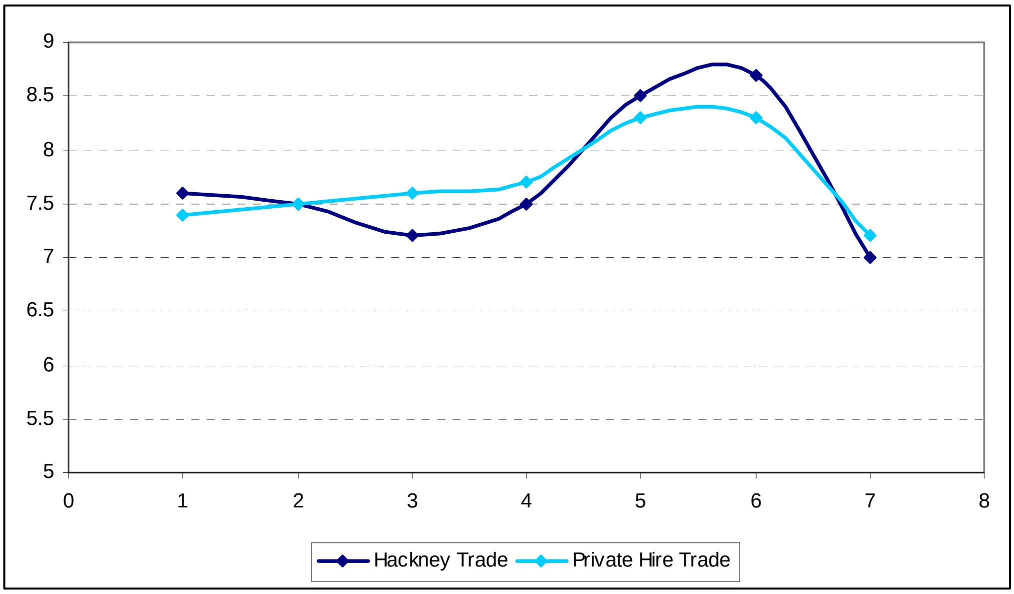
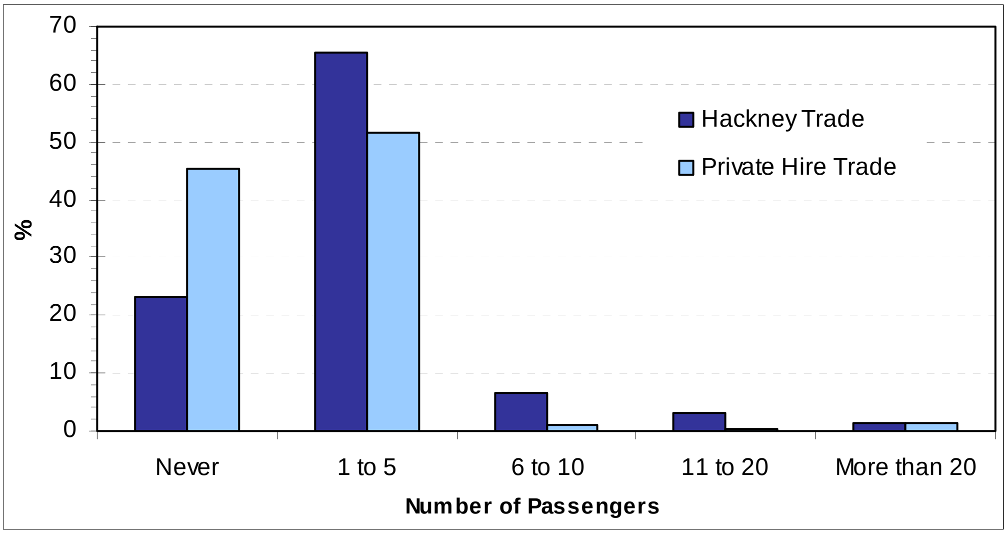


Figure 7.5 – Frequency of transport of wheelchair bound persons



Drivers were asked whether they felt that standards of dress for drivers should be introduced. Opinion was mixed with 55% of the hackney trade and 42% of the private hire trade in favour.

7.5 Safety and Security

Respondents were asked whether they had ever been attacked by a passenger in the last year. Some 68.3% of hackney respondents and 57.1% of private hire respondents stated that they had been verbally attacked with 20.6% of hackney respondents and 19.5% of private hire respondents stating they had been physically attacked.

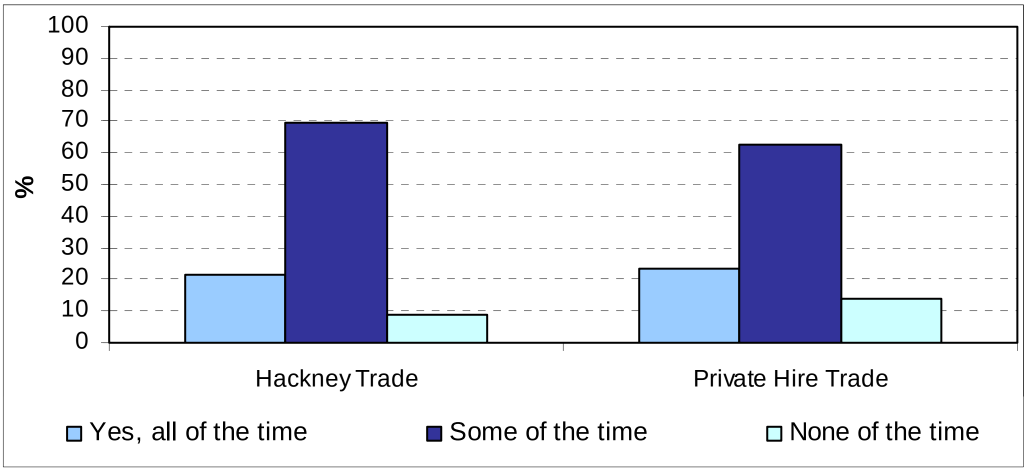
Those that were attacked were asked how frequently this has occurred in the last 12 months, the results of which are detailed below in Table 7.1.

Table 7.1 - Frequency of attacks by passengers within the last 12 months

	Hackney Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Physically attacked				
Less than 5 occasions	78	78.0	34	81.0
Between 5 to 10 occasions	16	16.0	5	11.9
More than 10 occasions	6	6.0	3	7.1
Total	**100**	**100.0**	**42**	**100.0**
Verbally attacked				
Less than 5 occasions	142	43.2	62	52.5
Between 5 to 10 occasions	103	31.3	29	24.6
More than 10 occasions	84	25.5	27	22.9
Total	**329**	**100.0**	**118**	**100.0**

The respondents were asked if they felt safe whilst working as a taxi driver in Manchester. The results of which are shown in Figure 7.6. 21.5% of the hackney carriage respondents felt safe all of the time as did some 23.3% of private hire respondents.

Figure 7.6 – Do you feel safe whilst working as a taxi driver in Manchester?



Of those that did feel unsafe working in Manchester, 70.9% of the hackney carriage respondents and 68.9% of private hire respondents stated that they felt unsafe whilst working at night in Manchester.

7.6 Vehicles

The trade were asked their opinions on introducing a standard livery for both hackney carriages and private hire vehicles. Approximately two thirds of respondents from both trades thought that a livery for hackney carriage vehicles and private hire vehicles would be satisfactory as detailed in table 7.2.

Table 7.2 - Introduction of a standard livery

	Hackney Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Hackney Carriage Drivers				
Satisfactory	330	68.0	63	63.6
Unsatisfactory	155	32.0	36	36.4
Total	485	100.0	99	100.0
Private Hire Drivers				
Satisfactory	148	64.1	127	63.2
Unsatisfactory	83	35.9	74	36.8
Total	231	100.0	201	100.0

The trade were then asked whether they felt age limit should be applied to hackney carriage and private hire vehicles. Opinions were mixed, just over half of the hackney carriage trade felt that age limits were not needed, in comparison 60.7% of private hire drivers felt that an age limit should be introduced for hackney vehicles, with a similar percentage stating this should not be the case for private hire

Table 7.3 - Should age limits be applied?

	Hackney Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Hackney Carriage Drivers				
Yes	**245**	**45.3**	**67**	**41.1**
No	**296**	**54.7**	**96**	**58.9**
Total	**541**	**100.0**	**163**	**100.0**
Private Hire Drivers				
Yes	**215**	**60.7**	**91**	**39.4**
No	**139**	**39.3**	**140**	**60.6**
Total	**354**	**100.0**	**231**	**100.0**

At the current time Manchester City Council only allows London style hackneys and the Mercedes Vito to be licensed as hackney carriages; all respondents were asked whether they felt this was satisfactory. The results detailed in Table 7.4 indicate the majority of drivers do consider this to be satisfactory (64.5% and 75.3% of hackney carriage and private hire respondents respectively. The most common suggestions for other licensed vehicles were as follows:

- Any vehicle that fits the councils criteria
- Peugeot E7
- Vito without the turning circle
- Any wheelchair accessible vehicle

Table .7.4 - Current hackney vehicle restrictions

	Hackney Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Satisfactory	**352**	**64.5**	**165**	**75.3**
Unsatisfactory	**194**	**35.5**	**54**	**24.7**
Total	**546**	**100.0**	**219**	**100.0**

7.7 Ranks

Members of both trades were asked whether they believe there is sufficient rank space in Manchester. Over three quarters (82.4%) of the hackney carriage did not feel there is sufficient rank space in Manchester compared to 30.2% of the private hire trade.

The trade were asked whether there were any areas where a new rank should be located. The most frequent suggestion was:

- Hathersage Road;
- Lapwing Lane,;

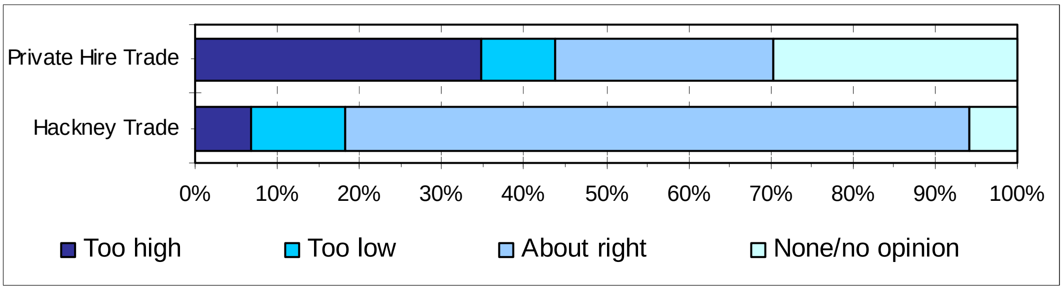
- Shudehill Bus Station;
- Thomas Street; and
- Portland Street.

In addition some 78.8% of the hackney carriage respondents felt there were ranks that needed extending compared to only 9.4% of the private hire trade.

7.8 Fares

Members of both trades were asked for their opinions regarding the current level of hackney carriage fares. Figure 7.7 indicates the responses. The majority of hackney carriage respondents (75.9%) considered hackney carriage fares to be 'about right'. Of the private hire respondents, some 34.7% believe they are too high with 26.6% believing they are 'about right'. Respondents were then asked how often they thought the fare tariff should be increased. The results indicate the majority of the hackney carriage trade believe fares should be increased annually. While the private hire trade were split with 49.1% believing fares should be increased every two years. Of those that stated other the most common suggestion was in line with inflation, fuel and insurance costs.

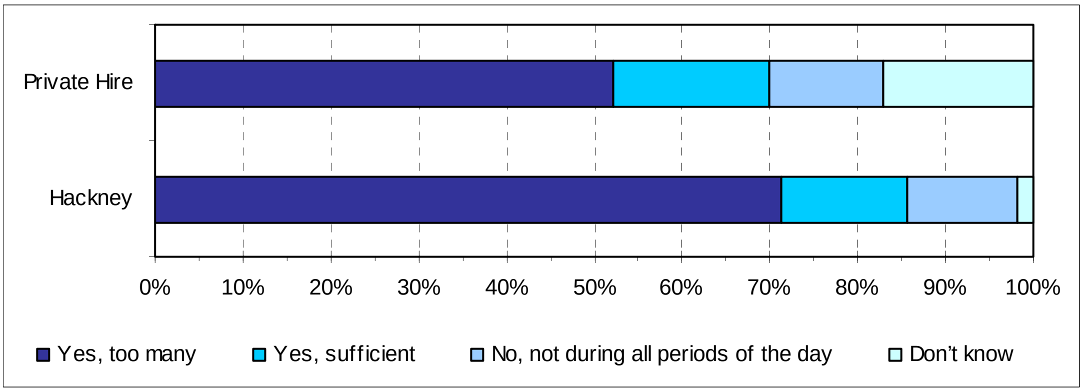
Figure 7.7 – Opinions relating to hackney carriage fares



7.9 Taxi market in Manchester

Members of both trades were asked whether they consider there to be sufficient hackney carriages to meet the current level of demand in Manchester. The results are shown in Figure 7.8. Over half of hackney carriage respondents believe there are too many hackney carriages in Manchester, whereas 11.3% of private hire respondents believe there are not sufficient hackney carriages available at all times of day.

Figure 7.8 – Are there sufficient hackney carriages in Manchester?



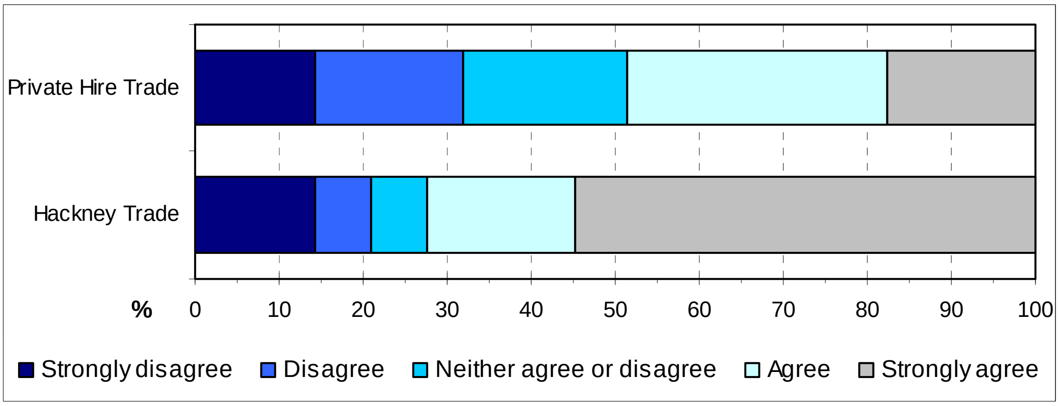
The majority of respondents from the hackney carriage trade (68%) felt that the numerical limit should not be removed in Manchester. In contrast 23.9% of the private hire respondents were of the opinion the limit should be removed.

Views were sought regarding the likely impact on a series of factors if Manchester Council were to remove the limit on hackney carriage licences. The findings are summarised below:

- Some 74.2% of the hackney carriage trade believe congestion would increase in Manchester, whereas 35% of the private hire trade felt that there would be no effect.
- Some 51% of the hackney carriage trade and 48.9% of the private hire trade felt that removing the numerical limit would have no impact on fares.
- The majority of hackney carriage trade respondents felt that there would be no effect on the passenger waiting times at ranks, by flag down or by telephone. In contrast the majority of private hire respondents felt waiting times would reduce.
- The hackney carriage trade felt there would be a negative impact on the quality of hackney carriages. The private hire trade felt vehicle quality would be unaffected.
- Some 49.6% of the hackney carriage trade felt there would be a negative impact on the effectiveness of enforcement in Manchester. Just 25.7% of the private hire trade agreed that this would be the case.
- The hackney carriage trade felt that over ranking would increase. The private hire respondents were divided with 48.3% believing this would increase.
- 38.8% of the hackney carriage trade felt that customer satisfaction would reduce as a result of the limit being removed, whilst 47.7% of the private hire trade felt that it would increase.

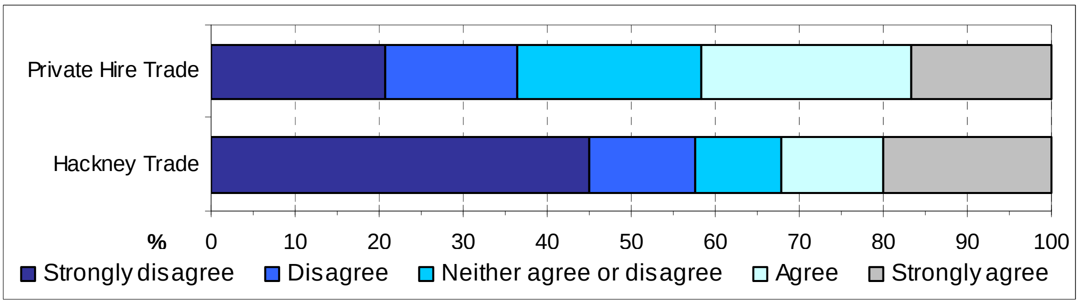
All respondents were asked their response to the statement ***"there is not enough work to support the current number of hackney carriages"***. The results in Figure 7.9 show that 72.3% of hackney carriage respondents strongly agree or agree with the statement that there is not enough work to support the current number of hackney carriages. In contrast 32 % of the private hire respondents disagreed or strongly disagreed. Some of the most common responses agreeing with the statement included; Not enough work, too many taxis (both HC and PH), overcrowded ranks and time of year dependant demand.

Figure 7.9 – Opinion on "there is not enough work"



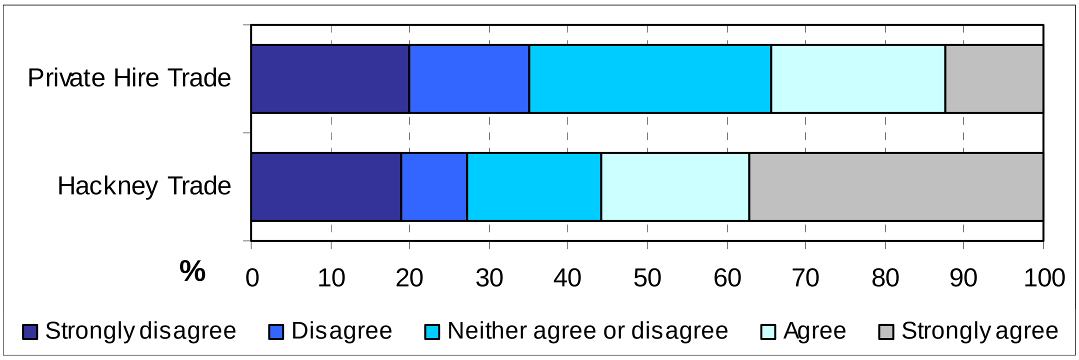
The survey then asked for opinions on the following statement; ***"Removing the limit on the number of hackney carriages in Manchester would benefit the public by reducing waiting times at ranks"***. Figure 7.10 shows that 57.7% of hackney carriage drivers strongly disagreed or disagreed that removing the limit on the number of hackney carriages in Manchester would reduce public waiting times at ranks, compared with just 36.4% of the private hire trade.

Figure 7.10 – Opinion of "removing the limit on the number of hackney carriages in Manchester would benefit the public by reducing waiting times at ranks"



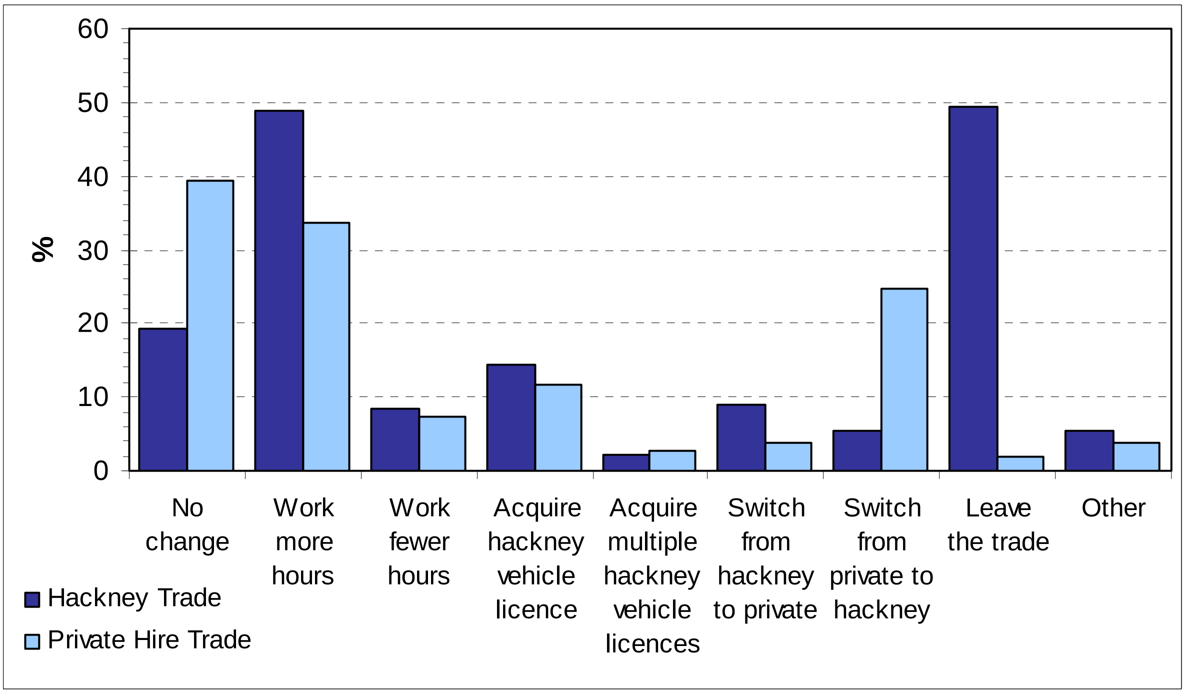
The survey then asked opinions of the following statement, '***There are special circumstances in Manchester that made the retention of the numerical limit essential***'. Figure 7.11 shows that 55.8% of the hackney carriage trade agree or strongly agree that there are special circumstances in Manchester that make the retention of a numerical limit essential, compared with 34.4% of private hire respondents. Comments included, the currently managed growth strategy works and it is a compact city, not big enough to remove the limit.

Figure 7.11 – Opinion of "there are special circumstances in Manchester that make the retention of the numerical limit essential"



Finally, the trade were asked what effect they thought it would have on them if the authority removed the numerical limit on hackney carriages. The results in Figure 7.12 indicate that 48.9% of hackney carriage respondents cited they would work longer hours and 49.4% claim they would leave the trade. Some 24.7% of private hire drivers said they would switch from private hire to hackney carriage.

Figure 7.12 – Effect if the numerical limit was removed (multiple responses)



7.10 Summary

The key results of the trade survey can be summarised as follows:

- Some 23.3% of hackney carriage respondents and 45.5% of private hire respondents stated that they never carry wheelchair bound passengers.
- Some 25.5% of hackney respondents and 22.9% of private hire respondents stated that they had been verbally attacked on more than 10 occasions with 6% of hackney respondents and 7.1% of private hire respondents stating they had been physically attacked on more than 10 occasions.

- When working as a taxi driver in Manchester, 21.5% of the hackney carriage respondents felt safe all of the time.
- Over three quarters (82.4%) of the hackney carriage trade and some 30.2% of the private hire trade did not feel there was enough rank space in Manchester.
- Over half of hackney carriage respondents believe there are too many hackney carriages in Manchester, whereas 11.3% of private hire respondents believe there are not sufficient hackney carriages available at all times of day.

8 Deriving the Significant Unmet Demand Index Value

8.1 Introduction

The data provided in the previous chapters can be summarised using Halcrow's ISUD factor as described in Chapter 3.

The component parts of the index, their source and their values are given below;

Average Passenger Delay (Table 4.2)	**0.45**
Peak Factor (Figure 4.2)	0.5
General Incidence of Delay (Table 4.3)	3.48
Steady State Performance (Table 4.1)	9
Seasonality Factor (Section 3)	1
Latent Demand Factor (Section 5)	1.246
ISUD (0.45*0.5*3.48*9*1*1.246)	**9**

The cut off level for a significant unmet demand is 80. It is clear that Manchester is well below this cut off point as the ISUD is 9, indicating that there is **NO significant unmet demand**. This conclusions covers both patent and latent/suppressed demand.

9 Unofficial Ranking

9.1 Introduction

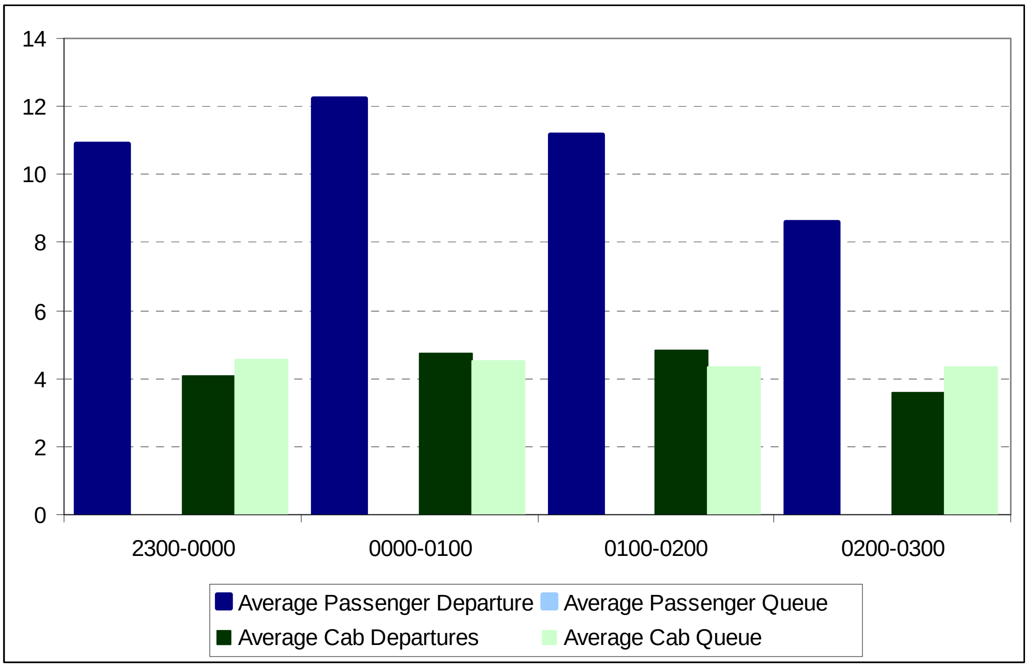
There are a number of locations in Manchester where hackney carriages consistently illegally park, in effect creating unofficial ranks. Night time observations were undertaken at five of these reported unofficial ranks as follows to understand the demand in each location:

- Oxford Road outside Revolution Bar (2300-0300);
- Princess Street, outside 5th Avenue (2300-0300);
- John Dalton Street outside Panacea (2300-0300);
- Thomas Street, outside Bluu Bar (2300-0300); and
- Great Bridgewater Street, outside Hilton Hotel (2300-0300).

9.2 Oxford Road

Of the five locations observed, Oxford Road was the busiest both in terms of passenger and cab departures. Demand remained fairly level throughout the four hour observation, with a consistent cab queue of around four vehicles throughout the shift. The consistent supply of vehicles means there were no passenger queues observed at this unofficial rank.

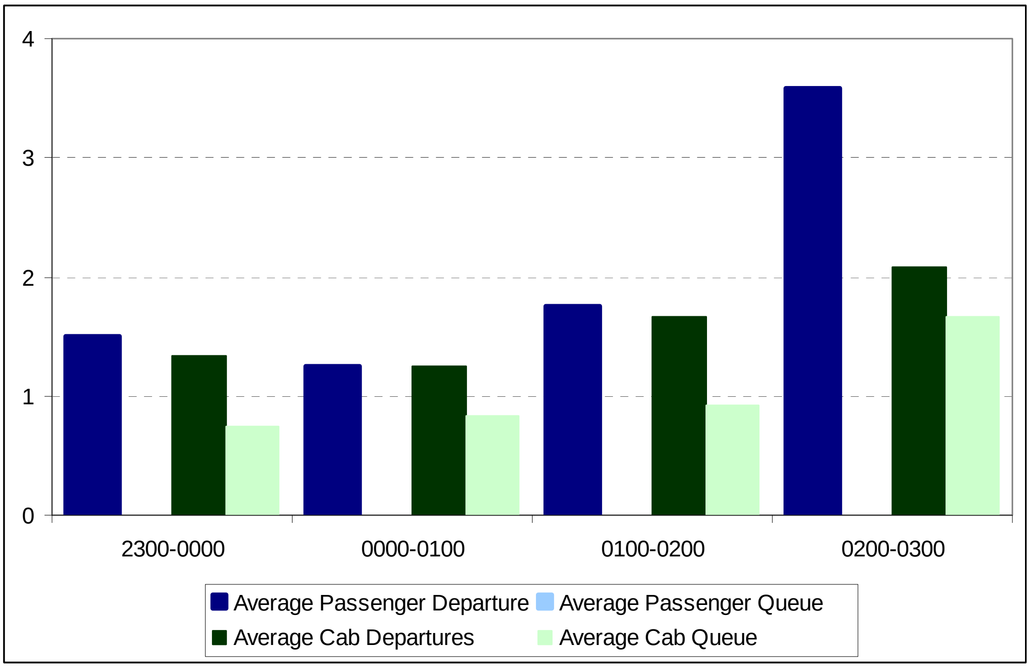
Figure 9.1 – Average 5 minute departures and queues Oxford Road



9.3 Princess Street

Princess Street was the quietest observation, and the smallest unofficial rank with an average cab queue of only one or two vehicles. Again supply of vehicles is sufficient that no passenger queues were observed.

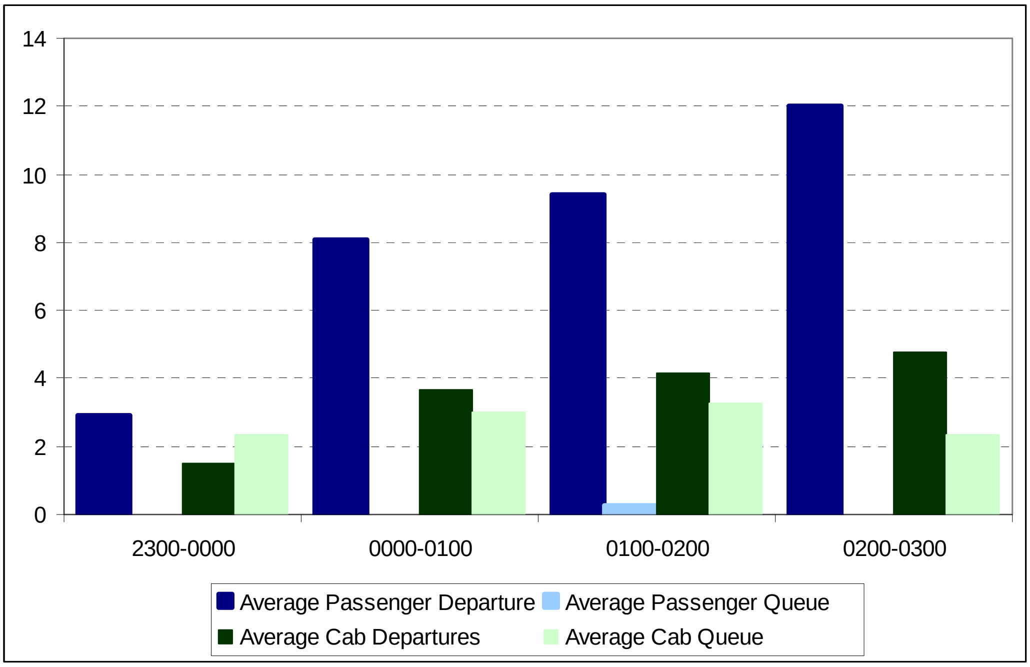
Figure 9.2 - Average 5 minute departures and queues Princess Street



9.4 John Dalton Street

The rank at John Dalton Street was the second busiest observation, with demand increasing across the four hour shift, peaking between 2am and 3am. There was a relatively high throughput of passengers between midnight and 3am, with a consistent cab queue of two or three vehicles, again leading to no passenger queues.

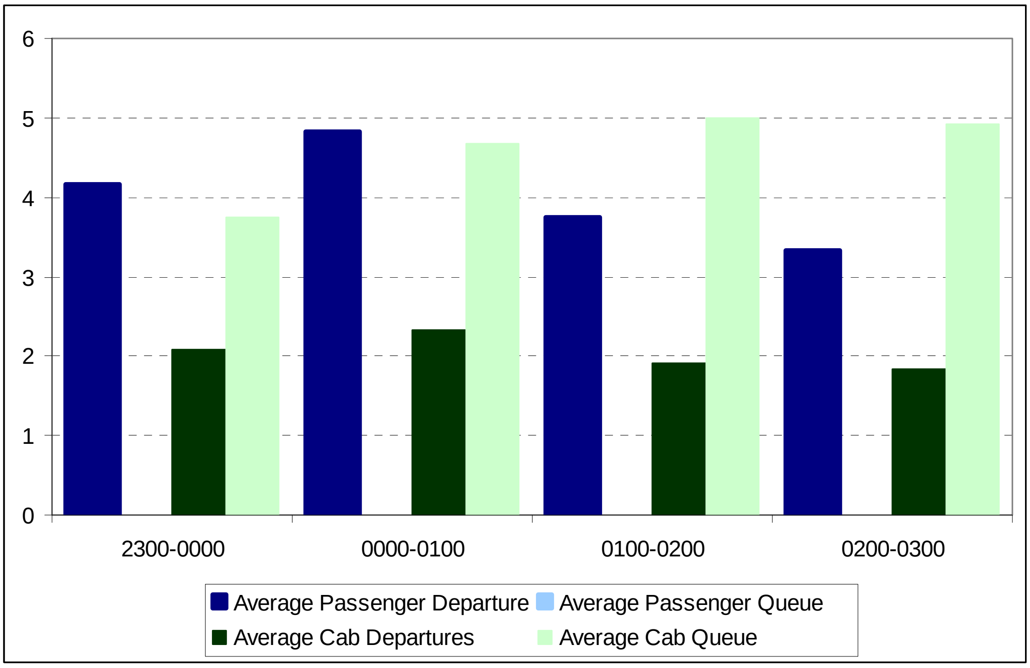
Figure 9.2 - Average 5 minute departures and queues John Dalton Street



9.5 Thomas Street

Thomas Street had a fairly consistent level of both supply and demand with an average of around four passenger departures every 5 minutes, and a cab queue of four to five vehicles.

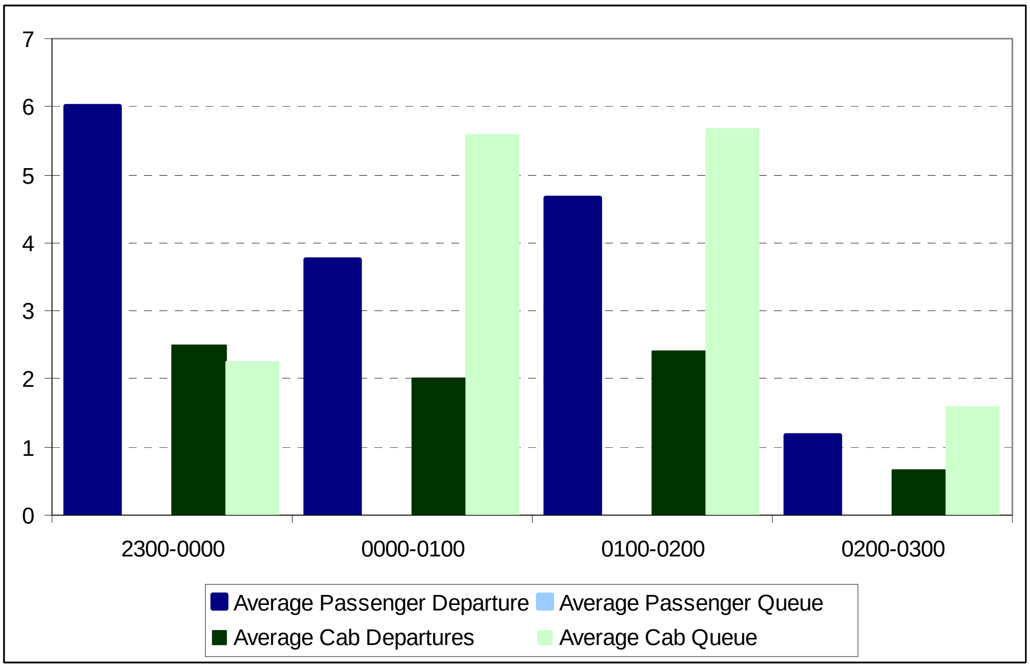
Figure 9.4 - Average 5 minute departures and queues Thomas Street



9.6 Great Bridgewater Street

Supply at Great Bridgewater Street Passenger peaked between the hours of midnight and 2am, with an average cab queue of around five vehicles. Post 2am demand and supply drop significantly.

Figure 9.5 - Average 5 minute departures and queues Great Bridgewater Street



10 Summary and Conclusions

10.1 Introduction

Halcrow has conducted a study of the hackney carriage and private hire market on behalf of Manchester City Council. The present study has been conducted in pursuit of the following objectives. To determine;

- Whether or not there is a significant unmet demand for hackney carriage services within Manchester as defined in Section 16 of the Transport Act 1985; and
- how many additional taxis are required to eliminate any significant unmet demand.

This section provides a brief description of the work undertaken and summarises the conclusions.

10.2 Significant Unmet Demand

The 2012 study has identified that there is NO evidence of significant unmet demand for hackney carriages in Manchester. This conclusion is based on an assessment of the implications of case law that has emerged since 2000, and the results of Halcrow's analysis.

10.3 Public Perception

Public perception of the service was obtained through the undertaking of 397 surveys. Overall the public were generally satisfied with the service – key points included;

- Some 40.3% of hirings are from a rank;
- High levels of satisfaction with delay on last trip – hiring at a rank providing the highest levels;
- Some 24.6% of people had given up trying to obtain a taxi at a rank or by flagdown;
- Some 43.6% of people felt that taxi services could be improved – need to be cheaper; and
- Some 35.7% of people found that new ranks were not needed.

10.4 Recommendations

The 2012 study has identified that there is NO evidence of significant demand for hackney carriages in Manchester. This conclusion covers both patent and latent/suppressed demand and is based on an assessment of the implications of case law that has emerged since 2000, and the results of Halcrow's analysis.

On this basis the authority has the discretion in its hackney licensing policy and may either:

- Maintain the current limit of 1,088 hackney carriage licences;

- Issue any number of additional plates as it sees fit, either in one allocation or a series of allocations; or
- Remove the numerical limit.

Appendix 1

Rank List & Hackney Carriage Fare Tariff

Appendix 2

Rank Observations

Appendix 3

Public Attitude Survey Analysis

Appendix 4

Stakeholder Consultation

Appendix 5

Trade Survey Analysis