Thurrock Council

Hackney Carriage Unmet Demand Study

Final Report

June 2006

Halcrow Group Limited

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Hackney Carriage Unmet Demand Study

Final Report

Contents Amendment Record

This report has been issued and amended as follows:

Issue	Revision	Description	Date	Signed
1	1	Draft Report	04.06	LE
1		Final Report	06.06	LE

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Appendices

Appendix 1	Department for Transport Letter, Annex C
Appendix 2	Rank Observations
Appendix 3	Public Attitude Survey Results
Appendix 4	Consultation Replies
Appendix 5	Trade Survey Results

1 Study Objectives and Report Structure

1.1 *General*

1.1.1 This study has been conducted by Halcrow on behalf of Thurrock Council in pursuit of the following objectives:

- to identify whether or not there exists a significant unmet demand for hackney carriage services in Thurrock;
- to recommend the increase in licences required to eliminate any significant unmet demand; and
- to provide the information required by the Authority to enable it to respond to the requirements of the Department for Transport's letter of 16 June 2004.

1.1.2 The report is presented in two parts. Part 1 addresses the issue of significant unmet demand and focuses on the results from the public attitude survey. The effect of changing the number of hackney licences is also explored within this part of the report.

1.1.3 Part 2 addresses issues arising from the Department for Transport response to the Office of Fair Trading Report on "The Regulation of Licensed Taxi and PHV Services in the UK". In June 2004, the Department for Transport contacted each district/borough council or unitary authority maintaining quantity restrictions and requested that they publish a review of their position by 31 March 2005.

1.1.4 More specifically, all local authorities, in preparing their response, need to include justification of local policies for quantity restrictions in the five yearly Local Transport Plan process. This process requires local authorities to look holistically at how transport provision for their area contributes to wider objectives such as economic growth, accessibility and the environment. Taxis and private hire vehicles are an integral part of the local transport provision and should therefore be properly taken into account.

1.1.5 Annex C of the DfTs letter (Appendix 1) provides a checklist of questions which have been designed to help local authorities reach a satisfactory conclusion with regard to assessing quantity controls of taxi licences. These have been addressed in the final section of this report.

PART I

MEASURING SIGNIFICANT UNMET DEMAND

2 Background

2.1 ***General***

2.1.1 This Section of the report provides a general background to the taxi market in Thurrock and the relevant legislation governing the market.

2.2 ***Relevant Entry Control Regulations***

2.2.1 Under the Town Police Clauses Act 1847, a licensing authority had an unfettered discretion to limit the number of hackney carriage licences by being able to licence only such numbers as it thought fit. It was a power, which was widely used by many authorities to restrict the numbers of hackney carriages for the purpose of exercising control and supervision over them. Under the Transport Act 1985, the position in law changed and the 1847 Act, as now amended by Section 16, provides as follows:

"That the grant of a licence may be refused for purposes of limiting the number of hackney carriages…, if but only if, the person authorised to grant a licence is satisfied that there is no significant demand for the services of hackney carriages… which is unmet".

2.2.2 The Act also provides for an appeals procedure whereby unsuccessful applicants for hackney carriage licences may call upon an authority to demonstrate that it is satisfied that there exists no significant unmet demand. If, in the eyes of the Court, the Authority fails to meet this requirement, the appeal against the refusal to issue a licence will be successful.

2.3 ***Thurrock Borough Overview***

2.3.1 Thurrock Borough lies to the east of London on the River Thames and includes the areas of Grays, Stanford/Corringham, South Ockenden, Purfleet and Tilbury.

2.4 ***Background to the Hackney Carriage Market in Thurrock***

2.4.1 Thurrock currently licences a hackney carriage fleet of 90 vehicles; the majority of these are saloon vehicles. Thurrock's previous unmet demand survey was conducted in 2003[1]. The survey identified that there was no unmet demand as did the one in 2000.

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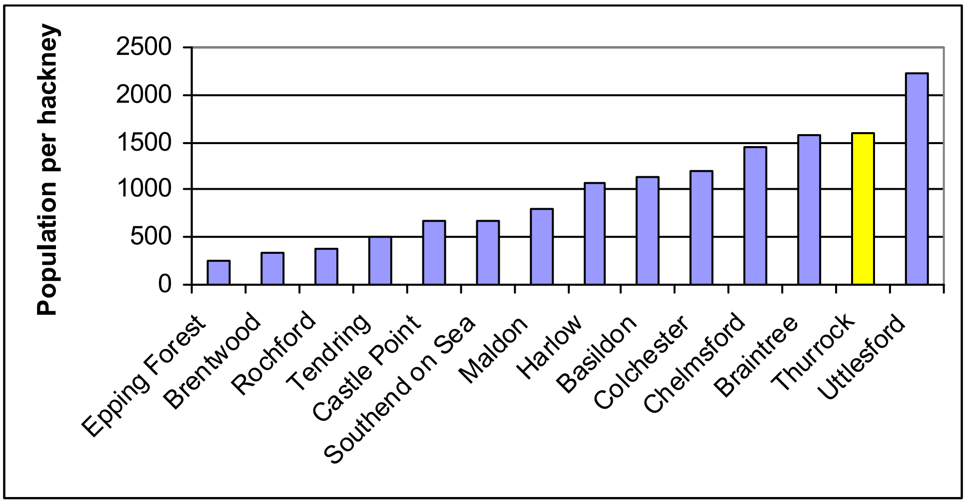
[1] Carried out by Halcrow

2.4.2 The population of Thurrock is 143,128 (Census, 2001) and levels of provision at one hackney per 1,590 people. This represents an average level of per capita provision.

Figure 2.1 Comparison of Hackney Carriage Provision across Essex



2.4.3 The private hire fleet consists of approximately 320 vehicles, a figure which fluctuates. 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 total taxi market.

2.5 Provision of Hackney Carriage Stands

2.5.1 There are currently ten official ranks located in the Thurrock licensing district, with 52 spaces between them. Seven of these ranks are provided by Thurrock Council with the remaining provided privately. Table 2.1 denotes the largest official hackney carriage rank locations in Thurrock.

Table 2.1 Largest Official Hackney Carriage Rank Locations in Thurrock

Rank Location	Provider	Spaces
Crown Road, Grays	TC	8+11
High Street, Aveley	TC	2
Daiglen Drive, South Ockenden	TC	2
King Street, Stanford le Hope	TC	2
St John's Way, Corringham	TC	2
Dock Road, Tilbury	TC	2
Clarence Road/Cart Lane, Grays	TC	8+3
Lakeside Shopping Centre	Private	6
Stanford le Hope Railway Station	Private	2
Chafford Hundred Station	Private[2]	7

Source: Thurrock Council, May 2006

2.5.2 However the majority of these ranks are not currently used. Activity in Thurrock is generally focussed on the ranks at Crown Road, Clarence Road and Lakeside Shopping Centre.

2.6 ***Hackney Carriage Fares and Licence Premiums***

2.6.1 Hackney carriage fares are regulated by the Local Authority and comprise three tariffs; one for daytime travel and one for night time and one for travelling during Christmas and New Year. The standard charge tariff is made up of two elements; an initial fee (or "drop") of £2.00 (daytime tariff) for entering the vehicle, and fixed price additions for each 229.90 metres travelled, plus fixed additions for waiting time. A standard two-mile daytime fare would therefore be £5.00. Table 2.2 outlines the fare structure in more detail.

[2] This rank is currently being redeveloped and once completed will be owned by Thurrock Council.

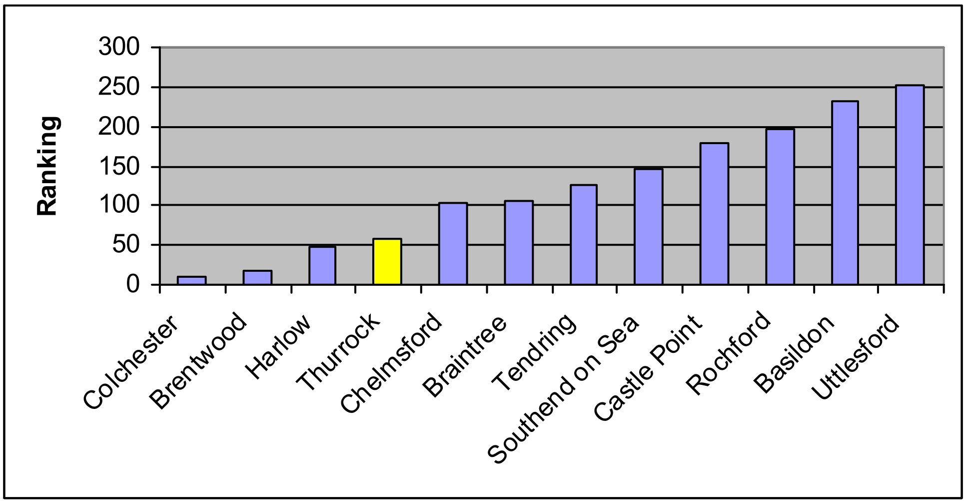
Table 2.2 Thurrock Hackney Carriage Fare Tariff

	Pence
Rate1 (For all hirings except those occurring on the days and times defined in Rate 2 and 3)	
First 114.95 metres or the first 1 minute	£2.00
For every additional 229.90 metres or 1 minute or until a distance of 9.65 kilometres travelled	£0.20
Then for each additional 229.90 metres or 1 minute	£0.30
Rate 2 (Between 2300 hours and 0700 hours Monday to Saturday inclusive; all day Sunday; all Bank Holidays (except when Rate 3 applies))	
First 114.95 metres or the first 1 minute	£3.00
For every additional 229.90 metres or 1 minute or until a distance of 9.65 kilometres travelled	£0.30
Then for each additional 229.90 metres or 1 minute	£0.40
Rate 3 (Between 1800 hours on 24th December until 0700 hours on 27th December and those begun between 1800 hours on 31st December and 0700 hours on the 1st January)	
First 114.95 metres or the first 1 minute	£4.00
For every additional 229.90 metres or 1 minute or until a distance of 9.65 kilometres travelled	£0.40
Then for each additional 229.90 metres or 1 minute	£0.60
Extra Charges (applicable to Rates 1, 2 and 3)	
For each person carried in excess of two:	£0.20
For each dog carried (except dogs that are communication aids for passengers with impairments for which no charge can be levied)	£0.50
All Road Toll and Congestion Charges where applicable	

Source: Thurrock Council, May 2006

2.6.2 In the published monthly league table Thurrock is ranked 58 of the 377 authorities cited (Private Hire and Taxi Monthly, April 2006). Fares are therefore above average to what is typical elsewhere across the UK. Table 2.3 provides a comparison of where neighbouring authorities in Essex rank in terms of fares.[3]

Table 2.3 **Comparison of Neighbouring Authorities in Essex in terms of Fares (Figures are ranked out of a total of 377 Authorities)**



Source: Private Hire and Taxi Monthly, April 2006

2.6.3 Where local hackney carriage markets are subject to both price and entry regulation, it has commonly been the case that a rent accrues to the ownership of the vehicle licence. This rent or "premium" is difficult to assess accurately as the re-sale of vehicle licences is not encouraged by the Authority. The Authority believes there is a licence premium of no more than £10,000 in Thurrock at present.

2.6.4 The existence of a licence premium is evidence of "excess" profit; that is, profit that would not exist if the level of supply of hackney carriages was determined by the market rather than by the Regulator. Licence premiums do not exist in Authorities where quantity controls are absent. This does not mean that we judge hackney carriage proprietors in Thurrock to be making too much money. It is not within our remit to comment on what is or is not an appropriate rate of remuneration from hackney carriage operation. The term "excess" profit simply means that earnings from plying for hire are higher at present than they would be if a free entry policy was introduced.

[3] Figures not provided for Epping Forest and Maldon

2.6.5 Although a premium is a clear indicator of higher than “market” profits it is not necessarily an indicator of significant unmet demand. Where a premium exists, this may be due to low cab waiting time associated with under-supply, and hence passenger delays. Alternatively, it may be due to a fares level, which is higher than the break-even level for a given supply. Finally, it may simply be a reflection of the absence of alternative means of gaining employment.

3 Definition, Measurement and Removal of Significant Unmet Demand

3.1 *Introduction*

3.1.1 This Section 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 or absence of this phenomenon to be drawn. Following this, a description is provided of the SUDSIM model. This 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.

3.2 *Overview*

3.2.1 Significant Unmet Demand (SUD) has two components:

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

3.2.2 Patent demand is measured using the "ISUD" factor. Suppressed (or latent) demand is assessed using data from the rank observations and public attitude interview survey.

3.3 *Defining Significant Unmet Demand*

3.3.1 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.

3.3.2 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 Castle Point Borough Council ex p Maude (2002).

3.3.3 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 that 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 area of the Authority in relation to the particular time of day. The area 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.

3.3.4 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 termed 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.

3.3.5 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.

3.3.6 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.

3.3.7 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***

3.4.1 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 passenger and cab delays; and
- compare estimated delays to the demand profile.

3.4.2 The broad interpretation to be given to the results of this comparison are summarised in Table 2.1.

Table 2.1 **Existence of Significant Unmet Demand (SUD) Determined by Comparing Demand and Delay Profiles**

	Delays during peak only	**Delays during peak and other times**
Demand is:		
Highly Peaked	No SUD	Possibly a SUD
Not Highly Peaked	Possibly a SUD	Possibly a SUD

3.4.3 It is clear 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.

3.4.4 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;

- the need for consistent treatment of different authorities, and the same authority over time.

3.4.5 The Index of Significant Unmet Demand (ISUD) was developed in the early 1990's and is based on the following formula. It has been further developed for 2003 by the addition of the seasonality.

ISUD = APD x PF x GID x SSP x SF

Where:

APD = Average Passenger Delay calculated across the entire week.

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.

3.4.6 The product of these five 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. It has proved to be a robust, intuitively appealing and reliable measure. The addition of the Seasonality Factor, introduced in 2003, provides a further refinement to the approach.

3.4.7 Suppressed demand is partially included in the above analysis, since any known illegal plying for hire by the private hire trade will be included in the rank observation data. The extent of additional suppressed demand is assessed using the interview survey and in particular:

- the proportion of passengers who have given up trying to obtain a hackney carriage by rank or flagdown in the last three months; and
- the proportion of the public who do not use hackney carriages more often due to waiting time, measured from the public attitude interview survey.

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

3.5.1 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 16-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.

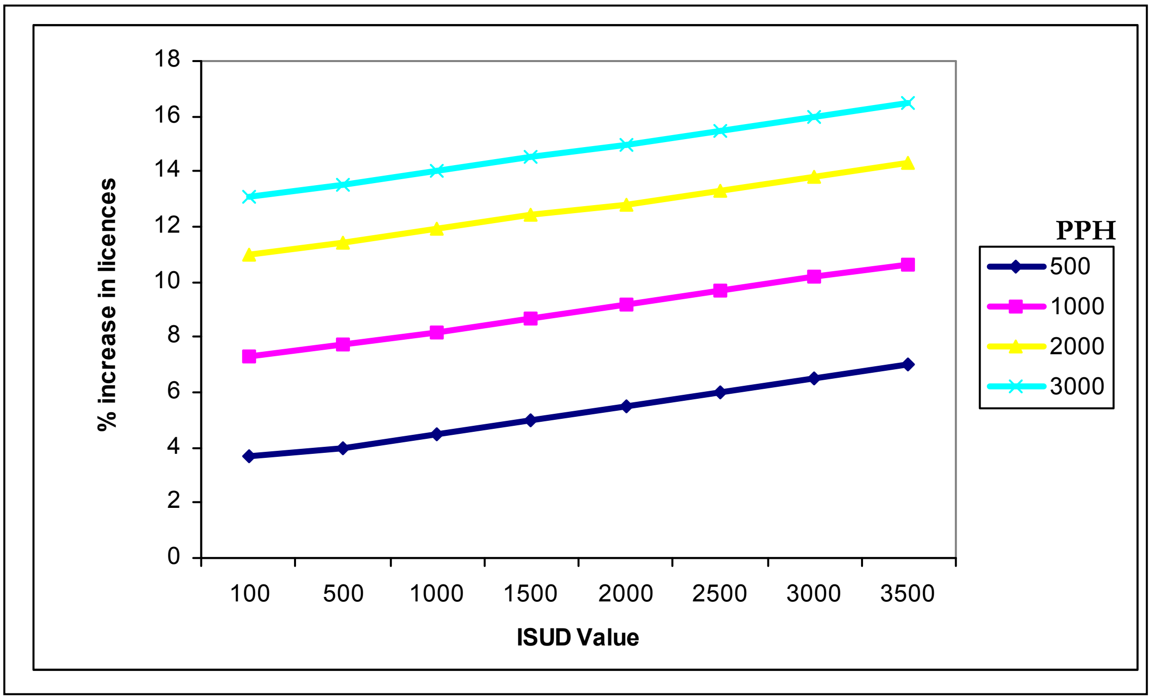
3.5.2 SUDSIM represents a synthesis of the queue simulation work that has previously been used (1989 to 2002) to predict the alleviation of significant unmet demand and the ISUD factor described above (hence the term SUDSIM). The benefit of this approach is that it provides a direct relationship between the scale of the ISUD factor and the number of new hackney licences required. The simulation model is still used in situations where no significant unmet is identified, to advise on the amount of slack in the market and inform the appropriate interval between surveys.

3.5.3 SUDSIM has been developed taking the recommendations from fourteen previous studies that have resulted in an increase in licences and using these data to calibrate an econometric model. The model provides a relationship between the recommended increases 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.

3.5.4 The main implications of the model are illustrated in Figure 3.1 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 Fleet Size as a Function of Population Per Hackney (PPH) and the ISUD Value**



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

New Licences = SUDSIM x Suppression Factor

Where:

- Suppression Factor = (1 + proportion citing main reason for not using hackney more often is availability/waiting time)

3.6 ***Note on the Interpretation of Patent and Suppressed Demand***

3.6.1 As can be gleaned from the foregoing discussion, patent demand is the main driver here. If the observed level of service performance is high and meets the minimum level for a finding of no significant unmet demand, (ISUD below 80) a consideration of the second aspect of suppression (i.e. those who fail to obtain a hackney) is not required. If, on the other hand there is significant patent unmet demand, then the improvement in service provided by an increase to address this patent demand will also release any demand that is being suppressed. Under these circumstances the increase in hackney licences will need to be augmented in accordance with the formula in paragraph 3.5.5 above.

3.6.2 This interpretation allows for a situation where passenger delay at the ranks observed is zero but some flagdown demand is not being met. Clearly in the case of flagdowns, the relationship between service quality and the number of vehicles in circulation is much weaker than it is for rank based trips, with the additional spatial dimension making instantaneous service provision virtually impossible. In addition, for environmental reasons many authorities operate by-laws that actively seek to prevent hackneys from cruising, preferring to encourage passengers to use the ranks.

4 Evidence of Patent Unmet Demand – Rank Observation Results

4.1 ***Introduction***

4.1.1 This section of the report highlights the results of the rank observation survey. The rank observation programme covered a period of 126 hours in total. During the hours observed some 4,380 passengers and 3,770 cab departures were recorded. The rank observations were carried out from Monday 20th March 2006 to Sunday 2nd April 2006 and on 5th and 6th May 2006. A summary of the entire rank observation programme is provided in Appendix 2.

4.1.2 The results presented in this Section attempt to 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***

4.2.1 The results of the analysis are presented in Table 4.1 below. The predominant market state is that of equilibrium. Excess supply (queues of cabs) was experienced during 10% of the hours observed while excess demand (queues of passengers) was experienced in 7% of hours. Conditions are most favourable to customers during the weekday daytime period. During the crucial Monday to Friday daytime period excess demand was observed in zero hours.

Table 4.1 **The Balance of Supply and Demand in the Thurrock Rank-Based Hackney Carriage Market (Percentages – Rows Sum to 100)**

Period		Excess Demand	Equilibrium	Excess Supply
Weekday	Day	0	91	9
	Night	0	73	27
Weekend	Day	17	77	6
	Night	7	87	7
Sunday	Day	0	94	6
All 2006		**7**	**83**	**10**
All 2003		**8**	**80**	**12**
All 2000		**11**	**69**	**20**

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

4.3 ***Average Delays and Total Demand***

4.3.1 The following estimates of average delays and throughput were produced for each of the main ranks in the licensing district and for the district as a whole (Table 4.2).

4.3.2 The survey suggests some 4,380 passenger departures occur per week from ranks in Thurrock involving around some 3,770 cab departures. This is a significant decrease from the figures obtained in 2000 and 2003.

4.3.3 The trade is somewhat concentrated at the Crown Road rank where passenger departures are greatest accounting for just over two thirds of the total. On average, passengers wait 0.22 minutes for a cab. Passengers experience the greatest delay at the King Street, Stanford le hope rank where an average delay of 0.37 minutes is experienced.

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

Rank	Passenger Departures	Cab Departures	Average Passenger Delay	Average Cab Delay
Lakeside Centre	582	446	0.11	27.61
King St, Stanford le Hope	331	519	0.37	10.88
Crown Road, Grays	2,958	2,396	0.24	13.67
Clarence Road, Grays	509	409	0.10	16.74
Total 2006	**4,380**	**3,770**	**0.22**	**15.27**
Total 2003	**5,420**	**4,082**	**0.50**	**12.50**
Total 2000	**5,150**	**3,950**	**0.63**	**10.78**

4.3.4 Figure 4.1 and 4.2 documents the trends with regard to cab departures and passenger delay over the last three surveys. They show that despite the number of cab departures decreasing, passenger delay has also decreased.

Figure 4.1 Cab Departures

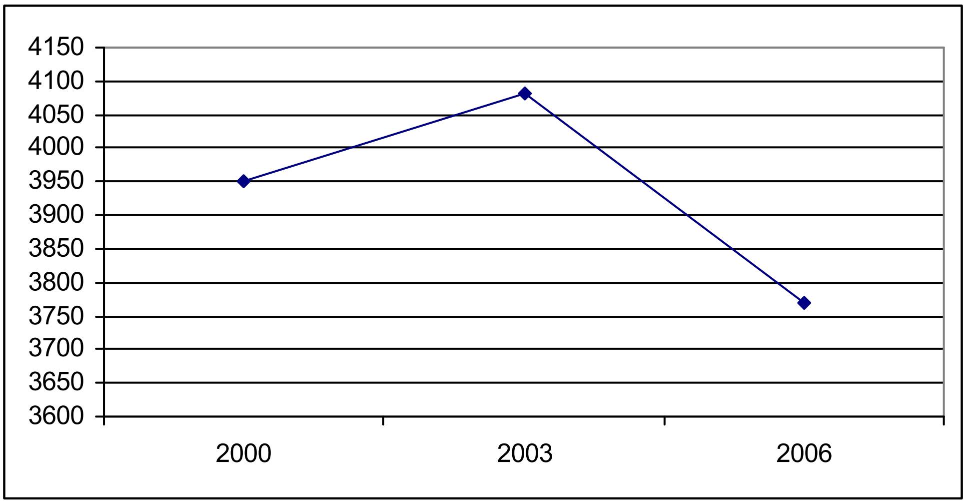
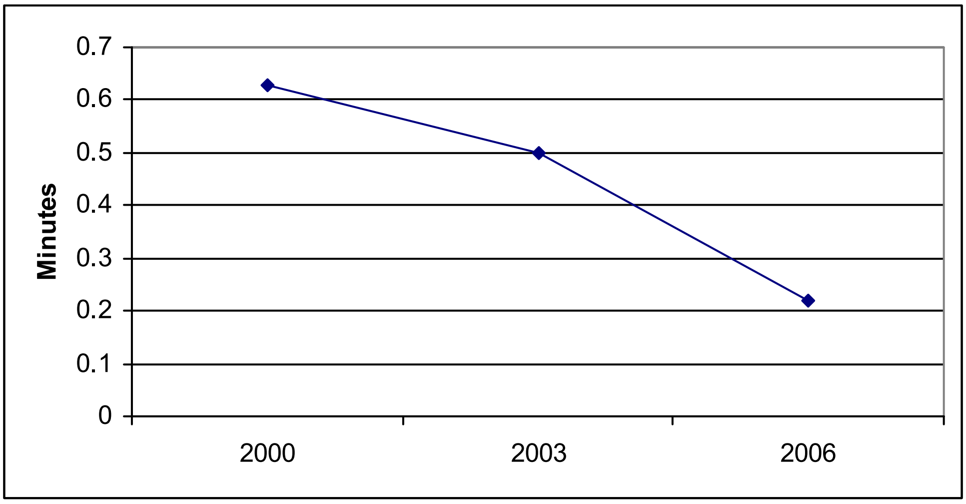
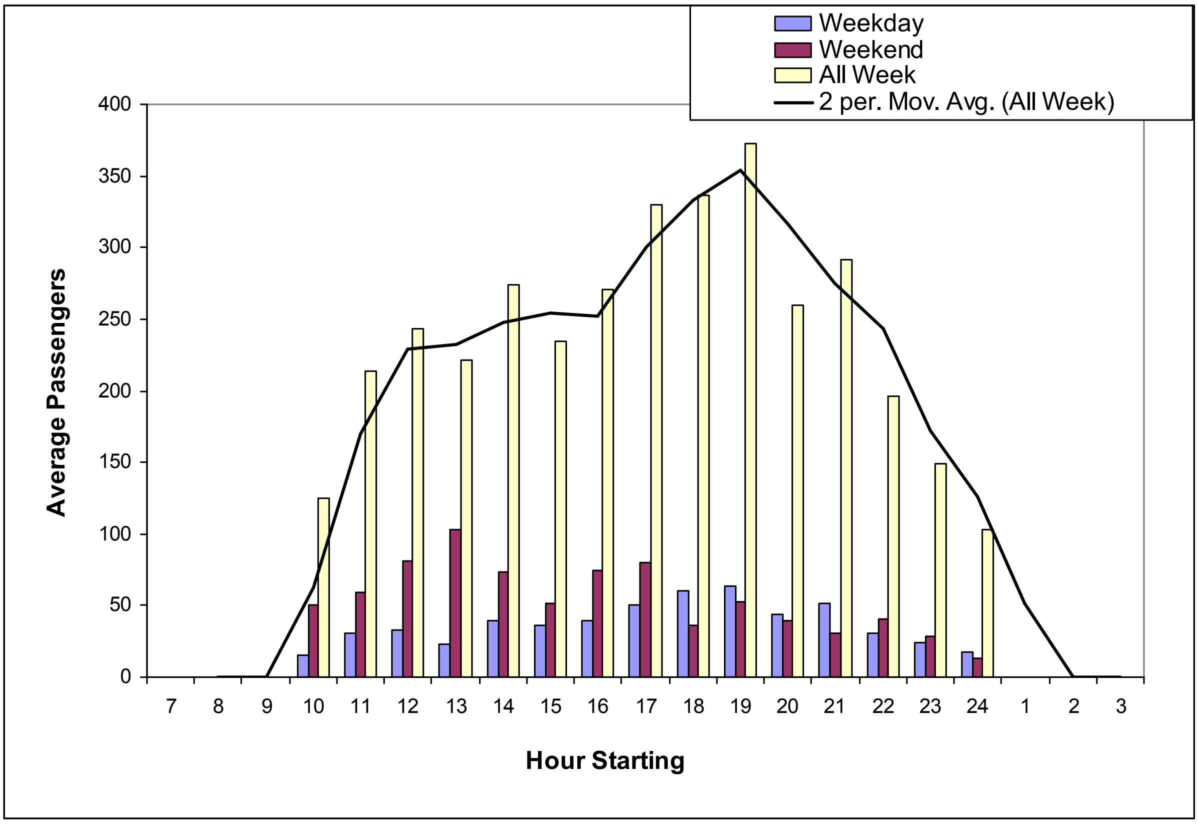


Figure 4.2 Passenger Delay



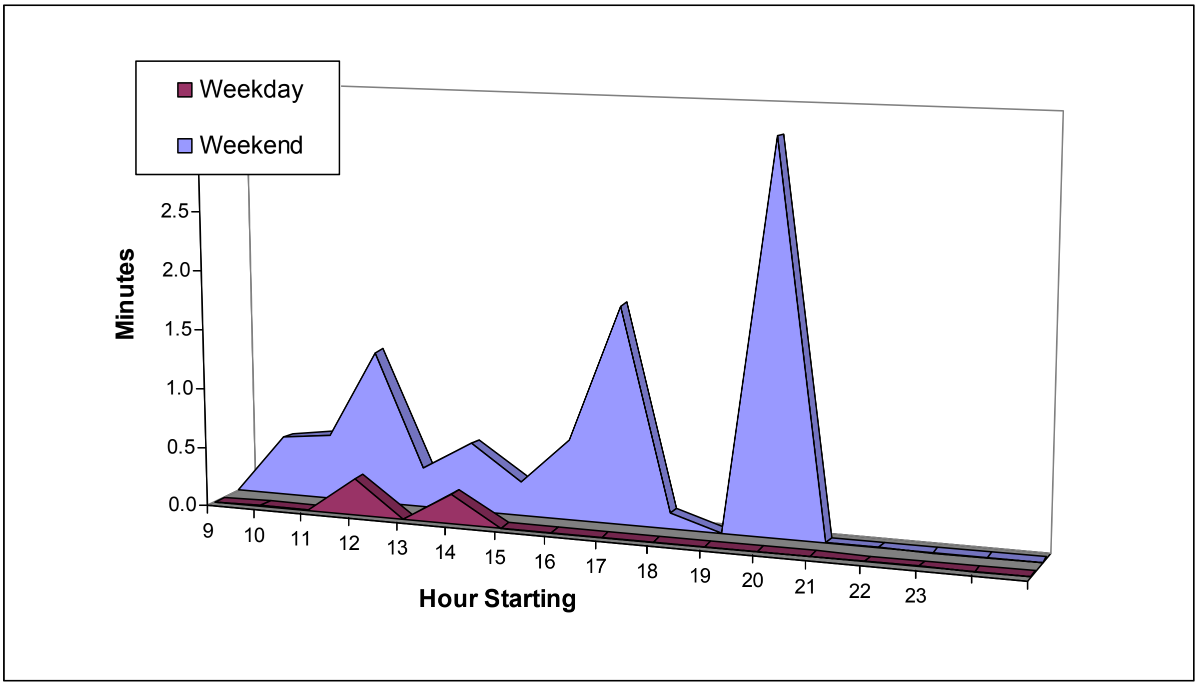
4.4	***The Delay/Demand Profile***
4.4.1	Figure 4.3 provides a graphical illustration of passenger demand for the Monday to Saturday period between the hours of 08:00 and 01:00. Overall, it can be seen that the rank demand in Thurrock is characterised by an evening peak. However for the interpretation of results this is not seen as 'highly peaked.'

Figure 4.3 **Passenger Demand by Time of Day in 2006 (Monday to Saturday)**



4.4.2 Figure 4.4 provides an illustration of passenger delay by the time of day for the weekday and weekend periods. It indicates incidences of passenger delay occur during the morning and early afternoon with an evening peak at the weekend. The level of passenger delay is generally less than one minute in most hours during the week.

Figure 4.4 **Passenger Delay by Time of Day in 2006 (Monday to Saturday)**



4.5 Thurrock Compared to Other Districts

4.5.1 Comparable statistics are available from 51 local authorities 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.

Results of the Comparison with Previous Studies

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

- population per hackney carriage is lower that the average overall value i.e. provision is higher. If Thurrock conformed to the average of the studies listed there would be 83 hackneys. If it equalled the best provision there would be 384 hackneys and if it equalled the worst provision of the 52 authorities there would be 26 hackney carriages;

- the proportion of passengers, who travel in hours where some delay occurs, is 32%, which is less than the average (42%) for the districts analysed. The proportion of passengers travelling in hours where the delay equals or exceeds one minute (13%) is also below the average of 24% for all the authorities. The proportion travelling in hours where the average delay exceed five minutes, at 1% is below the average of 7%;

- overall average passenger delay at 0.22 minutes is 1.16 minutes lower than the average value;

- overall average cab delay is greater than the average for all the districts shown;

- the proportion of weekday daytime hours is which excess demand conditions are observed is 0% which is well under the average; and

- demand in Thurrock is not considered to exhibit a high degree of peaking late at night compared to the rest of the day.

Table 4.4 A Comparison of Thurrock 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
Thurrock 06	1,590	32	13	1	0.22	15.27	0	1	0
Thurrock 03	1,607	43	14	1.01	0.50	12.5	2	1.0	14
Thurrock 00	1,406	28	14	2	0.63	10.66	6	1.0	53
Trafford 06	2,039	55	38	6	1.09	13.15	5	1	249
Hull 06	1,433	45	23	4	0.68	10.2	5	0.5	38
Leicester05	880	21	11	1	0.35	19.36	3	1	12
Bournemouth 05	656	20	11	2	0.37	12.25	1	0.5	2
Rotherham 04	5,200	45	37	3	1.09	9.68	4	1.0	168
Oldham 03	2,558	30	12	0.79	0.48	14.8	7	1.0	40
Blackpool 03	556	21	4	0.3	0.13	12.4	6	1.0	3
Wolverhampton 03	3,113	50	31	7.39	1.49	11.18	14	1.0	647
Bradford 03	2,171	19	6	0.77	0.25	14.89	6	1.0	9
Bournemouth 02	702	25	15	2	0.67	9.97	1	0.5	5
Exeter 02	2,353	47	18	3	0.71	10.12	20	1.0	256
Wigan 02	2,279	28	10	0	1.17	11.98	6	1.0	70
Cardiff 01	656	51	29	6	0.83	8.77	14	0.5	168
Edinburgh 01	373	47	29	9	1.27	8.77	13	1.0	479
Torridge 01	1,298	25	21	0	0.51	9.32	8	0.5	43
Worcester 01*	941	40	4	1	0.46	12.3	8	0.5	7
Ellesmere Port 01	2,527	80	48	17	2.49	4.23	49	0.5	2,928
Manchester 00	569	59	40	13	1.78	6.79	23	1.0	1,638
Southend 00	895	46	29	8	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	33	5.03	7.92	36	1.0	11,046
Sefton 00	1,069	18	8	0.6	0.28	12.95	6	1.0	13
Leicester 00 *	956	10	7	3	1.17	20.19	1	1.0	8
Castle Point 00	2,286	28	12	3	0.74	8.6	2	0.5	9
Bedford 00	2,931	25	15	10	0.86	6.86	4	1.0	52
Wolverhampton 99	3,723	56	40	26	3.98	8.64	16	1.0	2,547
Eastbourne 99	1,076	38	15	4	0.58	7.04	6	1.0	52
Hull 99/00	1,779	37	23	10	1.53	9.34	6	1.0	211
Selby 99	3,758	66	49	9	1.33	6.7	25	0.5	815
Cambridge 99	714	73	52	24	2.29	6.3	29	1.0	3,453
Exeter 99	2,282	59	37	7	1.26	10.02	28	0.5	653
Sunderland 99	1514	72	38	20	3.58	4.62	47	1.0	6,394
Washington 99	1579	46	13	1.7	0.56	6.7	24	1.0	175
Blackpool 98	578	25	12	0	0.44	10.24	5	0.5	13
Bournemouth 98	689	64	42	8	1.29	7.58	20	1.0	1,084
Congleton 98	3,175	32	15	2	0.58	15.95	0	1.0	0
Southampton 98	883	43	24	0.7	1.23	15.98	1	0.5	15
Manchester 98	643	49	29	11	1.91	7.98	24	1.0	1,329
Burnley 98	5,572	69	30	0	1.12	5.1	74	1.0	2,486
North Devon 98 *	931	22	6	0	0.32	14.86	1	0.5	1
Stratford-Upon Avon 98	1,860	50	34	7	1.2	10.2	13	0.5	265
Wansbeck 98	2,000	51	38	12	2.62	7.77	0	0.5	0
Sheffield 98	1,779	46	25	14	1.47	12.87	0	0.5	0
Nottingham 98	1,054	37	21	8	1.6	14.6	36	1.0	1,210
Cambridge 97	804	79	55	20	2.69	5.19	27	1.0	3,995
Manchester 97	682	36	17	2	0.51	13.44	10	1.0	87
Forest Heath 97 *	510	12	8	0	0.23	11.48	1	0.5	1
Reading 97	1,007	40	26	10	1.42	14.58	0	1.0	0
Ellesmere Port 96	3,220	56	42	19	2.22	5.89	37	1.0	3,450
Southend 96	913	45	24	7	1.35	7.29	10	0.5	162
Bassetlaw 96	3,638	52	43	11	0.92	9.01	0	0.5	0
Bedford 96	3,038	27	11	2	0.21	14.73	3	1.0	7
Lancaster 96	1,390	34	24	2	0.61	14.16	13	1.0	190
AVERAGE	1,719	42	24	7	1.23	10.41	13		

KEY
* Derestricted Authorities
\# 1991 report pre-dated ISUD
\+ Deregulated Licensing zone within Sunderland City
\++ SUD = Significant Unmet Demand (values subject to rounding)

4.6 ***Deriving the Significant Unmet Demand Index Value***

4.6.1 The data above can be summarised using Halcrow's ISUD factor described in Section 2. The component parts of the index, their source and their values are given below:

- Average Passenger Delay (Table 4.2) 0.22
- Peak Factor (Figure 4.1) 1
- General Incidence of Delay (Table 4.4) 13
- Steady State Performance (Table 4.1) 0
- Seasonality Factor (paragraph 3.4.5) 1
- **ISUD** (0.22*1*13*0*1) **0**

4.6.2 The cut off level for a significant unmet demand is 80. It is clear that Thurrock is well below this cut off point, indicating that there is **no significant (patent) unmet demand**.

5 Evidence of Suppressed Demand - Public Attitude Pedestrian Survey Main Results

5.1 *Introduction*

5.1.1 Some 518 on-street public interview surveys were carried out in March 2006. A quota was followed so that the survey reflected the age and gender characteristics of the local community. This, in turn, ensured that broadly representative results were obtained. A full breakdown and analysis of the results and the survey form are provided in Appendix 2[4]. In order to obtain a representative sample that reflects the characteristics of the population of Thurrock, the quota was derived from 2001 Census data.

5.1.2 Respondents were each asked if they had made a journey by taxi in Thurrock in the last three months. The survey found a high number of respondents to have used a taxi within this period. A total of 343 people (66%) stated they had used a taxi during the last three months while 175 people (34%) said they had not used one.

5.2 *Method of Hire on Last Trip*

5.2.1 Some 39.7% of users stated that they hired their taxi at a rank. A larger number of hirings were achieved by telephone, with 48% of trips started in this way. Only 12% of tripmakers obtained a taxi by on-street flagdowns. Figure 5.1 reveals the pattern of taxi hire for 2006.

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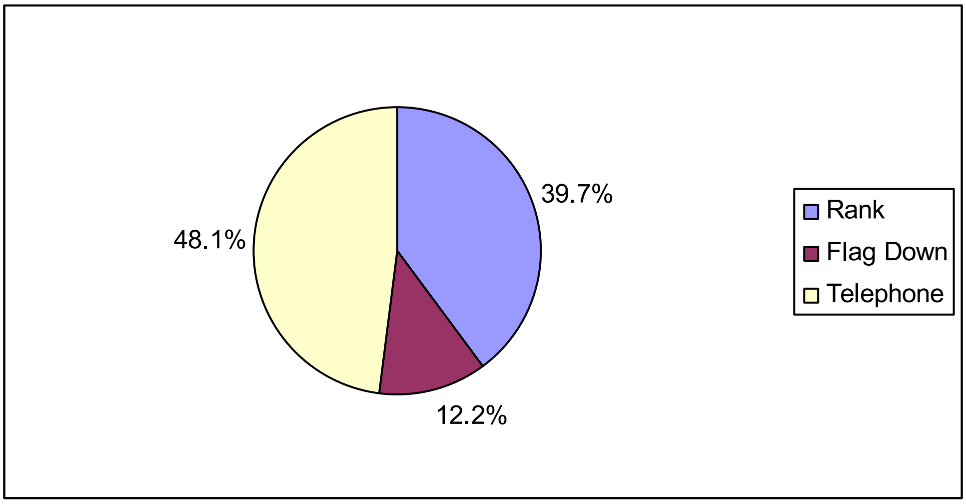
[4] It should be noted that in presenting material to the public we have used the term ‘taxi’ in its generic sense, i.e. to refer to both hackneys and private hire. This is in line with the public’s understanding of the term. Where it is important to be specific we have used the term hackney carriage.

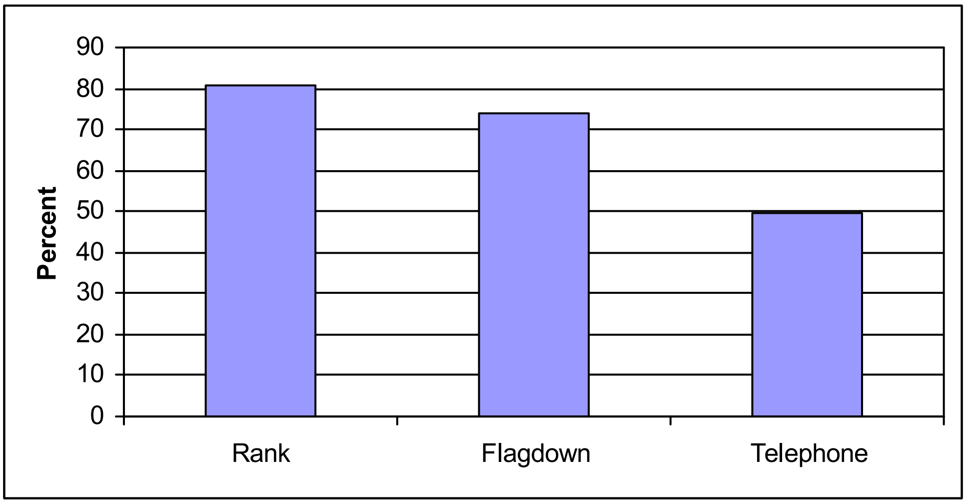
Figure 5.1 Method of Hire for Last Trip



5.3 ***Time Taken and Promptness of Arrival***

5.3.1 Figure 5.2 details the responses relating to the level of satisfaction with delay encountered when obtaining a vehicle on their last trip in 2006.

Figure 5.2 Satisfaction with Delay on Last Trip by Method of Hire

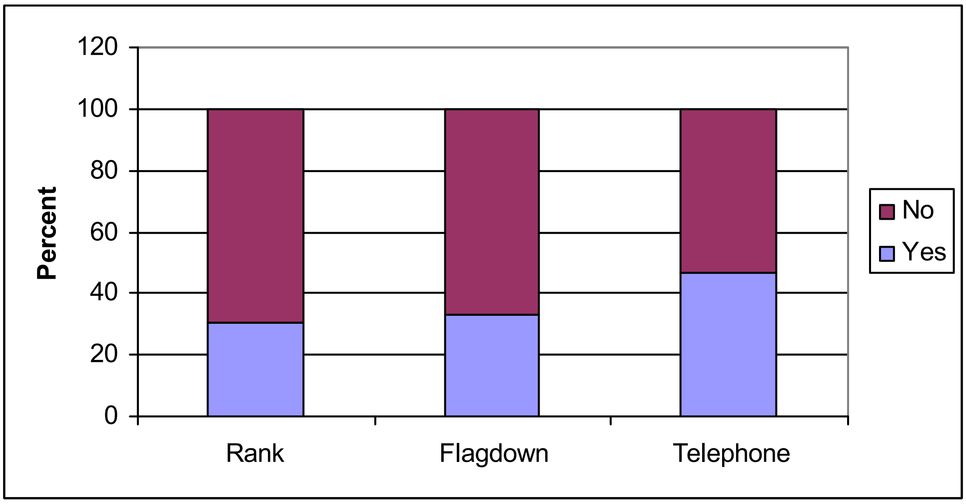


5.3.2 The responses indicate that travellers obtaining a vehicle by telephone in 2006 were generally less satisfied with the delay encountered and the promptness of arrival (49.7%). A higher level of satisfaction (73.8%) amongst people obtaining a taxi by flagdown was recorded. Those obtaining a taxi at a rank provided the highest level of satisfaction with 80.9% in 2006. The fact that satisfaction is higher for those using the quantity constrained service (rank and flagdown), suggests that the dissatisfaction recorded by the survey is not the result of entry control.

5.4 ***Potential Travellers Deterred from Hackney Carriage Hirings***

5.4.1 To provide evidence of suppressed demand in the event of a finding of significant patent unmet demand, respondents were asked to identify whether or not they had given up waiting for a taxi at a rank, on the street, or by telephone in Thurrock in the last three months[5]. Figure 5.3 compares the findings.

Figure 5.3 Given Up Waiting for a Taxi by Method of Hire

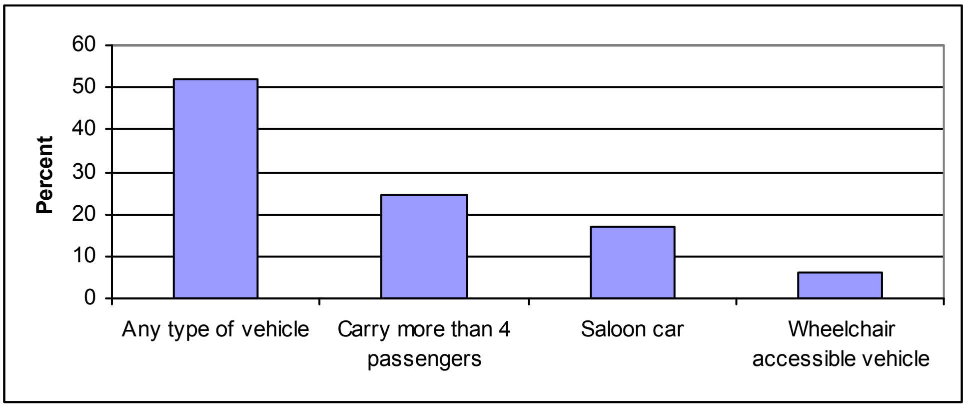


5.4.2 Of those surveyed, the responses showed 30.3% of people had given up waiting for a taxi at a rank in Thurrock, 33.1% gave up searching for a taxi on the streets and 46.9% gave up waiting to obtain a taxi through a telephone booking, in the last three months. It is therefore evident that the individual user is more likely to give up trying to obtain a taxi via a telephone booking than by using either of the other two methods.

5.4.3 The respondents, who gave up trying to obtain a taxi by telephone in Thurrock, were subsequently asked what type of vehicle they were wanting. The results are shown in Figure 5.4 below.

[5] The difference between hackneys and private hire cars was explained to all respondents.

Figure 5.4 Type of Vehicle Required (Telephone Bookings Only)

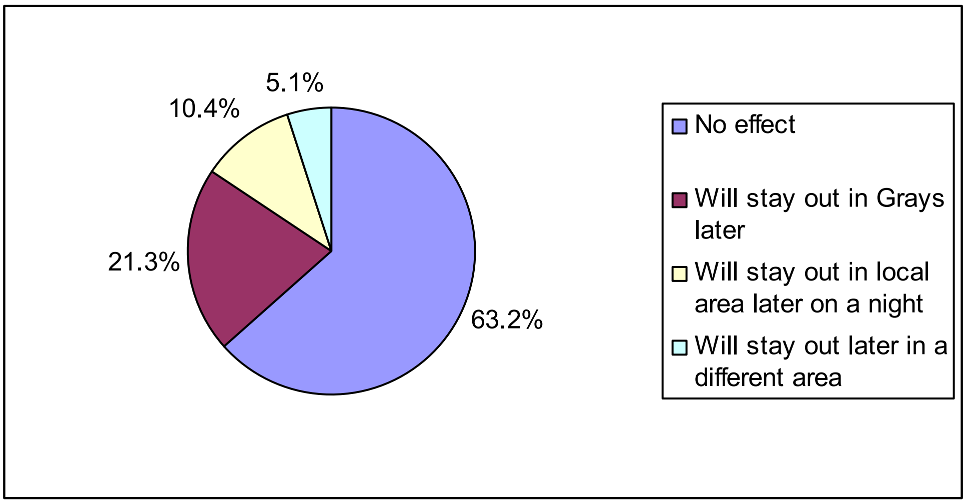


5.4.4 Over half of people who gave up attempting to obtain a taxi by telephone (52.1%) indicated that when they gave up trying to obtain a vehicle through a telephone booking, they wanted "any type of vehicle". Of those surveyed 6% stated that under the same circumstances they required a wheelchair accessible vehicle.

5.5 ***Effect of the Licensing Act 2003***

5.5.1 Respondents were asked whether they had been affected by the recent licensing changes brought about by the Licensing Act 2003. The results are shown in Figure 5.5 below.

Figure 5.5 Effect of the Licensing Act 2003

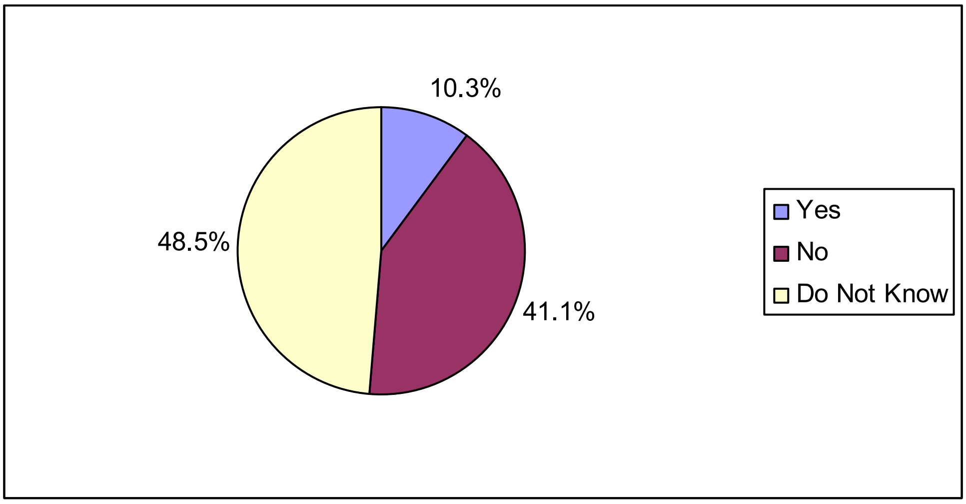


5.5.2 The majority of respondents (63.2%) claimed that the introduction of the Licensing Act 2003 will have no effect on them. A fifth of respondents (21.3%) stated that they would stay out in Grays later. This may stimulate some demand for hackney carriages later into the night than is currently observed. However, as Figure 4.3 illustrates the current level of demand for hackney carriages at night is very low compared to that in the day time. It is highly unlikely, therefore, that the Licensing Act will have an adverse effect on the ability of the existing hackney fleet to maintain its current high level of customer service.

5.6 ***Determining the Need for New Ranks***

5.6.1 To determine if current rank provision was sufficient all respondents were asked if there were any locations where they would like to see a new rank introduced. The results are shown in Figure 4.6 below.

Figure 5.6 Need for New Rank Locations



5.6.2 It is evident that almost half (48.5%) of respondents surveyed were unsure as to whether any new ranks were required. In contrast, only 10.3% of respondents felt there was a need for a new rank location in Thurrock.

5.6.3 Those respondents who replied "yes" were in turn asked to provide a location of where they would like to see an additional rank provided. The responses provided are shown in Table 5.1.

Table 5.1 New Rank Locations

Rank Location	Frequency	Percent
Orsett Road	13	27.7
Chadwell	10	21.3
Chadwell Flats	4	8.5
Other locations (two or less votes)	20	42.6
Total	**47**	**100.0**

5.6.4 From Table 5.1 it is evident that of those respondents who requested additional rank provision, views were mixed about the locations of these ranks with no one location standing out.

PART 2

RESPONSE TO ISSUES RAISED BY THE DEPARTMENT FOR TRANSPORT

6 Part 2: Introduction

6.1 *Objectives*

6.1.1 Whilst Part 1 of this report has addressed the specific issue of significant unmet demand, Part 2 explores a wider range of issues in response to guidelines issued by the Department for Transport in June 2004.

6.1.2 The requirements outlined in the letter are summarised below:

- consideration of the view that quantity controls should be removed unless a "specific case" that such controls benefit the consumer can be made;
- examination of whether special circumstances exist in the market to justify retention of quality controls;
- consideration of whether the Authority's policy benefits consumers, particularly those living in remote rural areas;
- consideration of whether the Authority's policy benefits the existing hackney trade; and
- examination of how the Authority's local accessibility policy fits with restricting hackney vehicle licences.

6.1.3 The study has been specifically designed to satisfy each of these requirements. The issues are covered in different sections of the report and brought together in the final section to form overall recommendations and conclusions.

6.2 *Structure of Part 2*

6.2.1 Section 7 provides a summary of the response from a range of consultees. Section 8 reports the results of a survey to all 600 licensed drivers in Thurrock and covers a wide range of issues from hours of work to views on future policy options. Section 9 considers the taxi market in Thurrock within the context of wider transport policy, primarily the Local Transport Plan. Finally, Section 10 provides a summary of the main findings and suggests recommendations.

7 Consultation Responses

7.1 *Introduction*

7.1.1 Guidelines issued by the Department for Transport state that consultation should be undertaken with the following:

- all those working in the market;
- consumer and passenger (including 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.

7.2 *Direct Consultation*

7.2.1 The Thurrock Licensed Drivers Association was given the opportunity to attend a meeting to discuss a series of issues regarding the taxi market in Thurrock.

7.2.2 The comments from those attending the organised meetings are summarised below and appended in full in Appendix 3.

<u>Thurrock Licensed Drivers Association</u>

7.2.3 The association stated that they were not in favour of a policy of de restriction. This was because they felt that there was not enough work at present to support the 90 hackney carriages in the borough. It was noted that some 20-25 hackney carriages had to undertake radio circuit work to increase their takings.

7.2.4 The association felt that there was no unmet demand in Thurrock. It was noted that Grays was not a town with a prominent nightlife which resulted in little night time work. This was corroborated by Halcrow's findings.

7.2.5 With regard to rank space the association commented on an issue at Lakeside Shopping centre. Due to redevelopment work the rank has been temporarily relocated to Debenhams – there is no signage to inform customers of this move. It was also felt that the rank at Chafford Hundred should reopen – despite opposition from locals.

7.2.6 In terms of vehicle quality the association felt that this was mixed. A greater number of drivers are allowing their vehicles to reach the 8 year age limit as they cannot afford to replace them sooner.

7.2.7 Comment was made as to driver quality in Thurrock. Driver quality was considered to be mixed, however the association considered that many drivers had poor knowledge of the local area and many had very poor communication skills.

7.3 *Indirect Consultation*

7.3.1 In addition to the face to face consultation undertaken a number of stakeholders were contacted by letter. This in turn assured the DfT guidelines were fulfilled and all relevant organisations and bodies were provided with an opportunity to comment. Copies of all the replies are included in Appendix 3.

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

- Thurrock Council;
- user/disability groups representing those passengers with special needs;
- local interest groups including hospitals, visitor attractions, entertainment outlets and education establishments;
- rail, bus and coach operators; and
- Essex Police.

7.3.3 The response from the organisations and bodies contacted has been limited; this however may indicate that stakeholders in Thurrock have little concerns with the trade. At the time of publication replies have been received from the following:

- Thurrock Council;
- Thurrock Licensed Drivers Association;
- Thurrock Racial Unity Support Task;
- Thurrock Independence Resource Centre; and
- Basildon and Thurrock University Hospitals.

7.4 *Comments Received*

7.4.1 The comments received are summarised below and appended in full to this report in Appendix 3. However it should be noted that this summary is based on the views of a small number of people.

7.4.2 Essex Police did not feel that is was appropriate to comment. This was also the case with the Hospital Trust as they stated they predominantly used private hire vehicles, while the Thurrock Local Enterprise Agency did not use taxis in the area.

7.4.3 The Education Transport Officer considered that hackney provision was adequate but a few more vehicles would be beneficial during peak times.

7.4.4 Vehicle quality was seen to be quite good but it was noted that driver attitudes may need improving.

7.4.5 The LTP Officer also considered vehicle quality to be good and made reference to the fact that Thurrock Council has plans to increase training and education for drivers.

7.4.6 The Thurrock Racial Unity Support Task Group considered more vehicles should be licensed in order to reduce waiting times during peak times, weekends and in surrounding areas currently less well served with hackney carriages.

7.4.7 The Thurrock Independence Resource Centre stated that unfortunately they did not have enough time to gauge the views of disabled people in Thurrock on taxi services and were therefore unable to help. However the Essex Coalition of Disabled People noted that they had received no complaints regarding taxi services in Thurrock.

7.4.8 The Licensed Drivers Association in their written response voiced their concern regarding the possibility of de restriction.

8 Public and Private Trade Survey

8.1 ***Introduction***

8.1.1 A public and private hire 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 4.

8.2 ***Survey Administration***

8.2.1 The survey was conducted through a self completion questionnaire. These were sent to all 600 licensed public and private hire drivers in the borough of Thurrock. A total of 58 questionnaire forms were completed and returned, giving a response rate of 10%, a typical value for this type of survey. 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 questions.

8.3 ***General Operational Issues***

8.3.1 The responses provided have been disaggregated by hackney carriage and private hire trade as shown in Table 8.1 below.

Table 8.1 Breakdown of Responses between Trades

	Frequency	Percent
Hackney Carriage Trade	36	51.7
Private Hire Trade	22	48.3
Total	**58**	**100.0**

8.3.2 Respondents were asked to state how long they had been involved with either the hackney carriage or private hire trade in Thurrock. Table 8.2 below indicates the responses.

Table 8.2 Duration of Respondents Involvement in the Hackney/Private Hire Trade

Years	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
0 – 2	2	5.9	3	13.6
2 – 5	2	5.9	8	36.4
5 – 10	8	23.5	4	18.2
10 – 15	8	23.5	2	9.1
15 – 20	7	20.6	5	22.7
Over 20	7	20.6	0	0.0
Total	**34**	**100.0**	**22**	**100.0**

8.3.3 The findings indicate that the hackney carriage trade respondents have been involved in the Thurrock taxi market for a longer period of time compared to respondents from the private hire trade. Approximately 65% of the hackney carriage trade have been involved in the Thurrock market for ten years or more in comparison to 32% of the private hire trade. Conversely, 35% of the hackney trade have been involved in the taxi market for less than ten years in comparison to 68% of private hire respondents. The average length of service is just under 13 years for the hackney trade and slightly less than 8 for the private hire trade.

8.3.4 Table 8.3 indicates the type of vehicle driven by respondents within each trade. Of those trade members who responded, the majority of hackney carriage drivers (75%) drive a saloon car. Minibuses or people carriers are driven by 25% of hackney drivers, of which 11% are fully accessible. Most private hire drivers, (54.6%) used minibuses or people carriers, 18% of which are fully accessible.

Table 8.3 Type of Vehicle Driven by Respondents

Vehicle Type	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Saloon Car	27	75.0	10	45.5
Minibus/people carrier*	4	11.1	4	18.2
London Style Cab	0	0.0	0	0.0
Minibus/people carrier**	5	13.9	8	36.4
Total	**36**	**100.0**	**22**	**100.0**

* Wheelchair accessible **non Wheelchair accessible

8.3.5 Respondents were asked to state the number of times they carry disabled passengers on a weekly basis. Table 8.4 highlights the results.

Table 8.4 Frequency of Transport of Disabled Persons

Vehicle Type	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Never	14	40.0	13	61.9
1to 5	16	45.7	6	28.6
5 to 10	3	8.6	2	9.5
10 to 20	2	5.7	0	0.0
More than 20	0	0.0	0	0.0
Total	**35**	**100.0**	**21**	**100.0**

8.3.6 Some 45.7% of the hackney carriage and 28.6% of the private hire trade were typically more likely to carry disabled persons between one and five times per week. Some 40% of hackney members stated they never carried disabled persons compared to 61.9% of private hire drivers.

8.4 ***Ranks***

8.4.1 Respondents were asked if they felt there was sufficient rank space currently available in Thurrock. The responses provided are detailed in Table 8.5.

Table 8.5 **Is There Sufficient Rank Space Currently Available?**

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Yes	18	56.3	9	52.9
No	14	43.8	8	47.1
Total	**32**	**100.0**	**17**	**100.0**

8.4.2 Some 43.8% of hackney carriage respondents felt there was insufficient rank space available for hackneys compared to 47.1% of private hire members.

8.4.3 Respondents were given the opportunity to suggest if there are any requirements for new rank locations in Thurrock. The results are summarised in Table 8.6.

Table 8.6 **Is there a requirement for new ranks in Thurrock?**

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Yes	10	34.5	5	35.7
No	19	65.5	9	64.3
Total	**29**	**100.0**	**14**	**100.0**

8.4.4 Just over one third of the hackney trade (34.5%) and private hire trade (35.7%) consider there to be a need for additional rank space compared to 65.5% of the hackney trade and 64.3% of the private hire trade.

8.4.5 Table 8.7 below highlights the most frequently suggested locations for new ranks.

Table 8.7 **New Rank Locations**

Location	Frequency
Lakeside Centre, (including Tesco, Debenhams and bus station)	7
Orsett Road, Grays	4
Stanford le Hope Railway Station	3
Tilbury	2
Long House Rd C.G.M, Defoe Parade	2

8.4.6 The main location suggested for a new rank is at the Lakeside Centre.

8.5 ***Vehicle Age Restrictions***

8.5.1 Table 8.8 highlights that the private hire trade were split in their view of the current age conditions for private hire vehicles with 54.5% considering them to be satisfactory.

Table 8.8 **Respondents Believing Current Private Hire Licence Conditions are Satisfactory**

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Satisfactory	22	71.0	12	54.5
Unsatisfactory	9	29.0	10	45.5
Total	**31**	**100.0**	**22**	**100.0**

8.5.2 With regard to the age of hackney carriages the majority of hackney carriage respondents (60.6%) considered the current age restrictions to be satisfactory.

Table 8.9 **Respondents believing current hackney licence conditions are satisfactory**

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Satisfactory	20	60.6	7	43.8
Unsatisfactory	13	39.4	9	56.2
Total	**33**	**100.0**	**16**	**100.0**

8.6 ***Fares***

8.6.1 Members of both trades were asked for their opinions regarding the current level of hackney carriage fares. Table 8.10 indicates the responses.

Table 8.10 Opinions Relating to Hackney Carriage Fares

	Hackney Carriage Trade		**Private Hire Trade**	
	Frequency	**Percent**	**Frequency**	**Percent**
Fares are too high	1	3.0	3	15.0
Fares are too low	3	9.1	0	0.0
Fares are about right	27	81.8	11	55.0
None of the above/No opinion	2	6.1	6	30.0
Total	**33**	**100.0**	**20**	**100.0**

8.6.2 Of the respondents from the hackney carriage trade, some 81.8% felt current fares to be about right. In comparison, only 55% of respondents from the private hire trade felt hackney carriage fares were about right, while 15% thought they were too high. Some 9.1% of the hackney trade considered fares to be too low.

8.7 ***Restriction of the Market***

8.7.1 Members of both trades were asked whether they consider there are sufficient hackney carriages to meet the current level of demand in Thurrock. Table 8.11 indicates the responses.

Table 8.11 **Do you consider there to be sufficient hackney carriages to meet the current level of demand in Thurrock?**

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	**Percent**	**Frequency**	**Percent**
Sufficient hackneys	26	76.5	7	35.0
Insufficient hackneys	6	17.6	8	40.0
No opinion	1	2.9	1	5.0
Do not know	1	2.9	4	20.0
Total	**34**	**100.0**	**20**	**100.0**

8.7.2 The majority of respondents from the hackney carriage trade (76.5%) consider there to be sufficient hackney carriages to meet the demand, compared to 35% of private hire drivers.

8.7.3 Those respondents stating that there were insufficient hackney carriages operating in Thurrock were asked what times of day additional carriages are required. The results are summarised in Table 8.12.

Table 8.12 **If no when are more hackneys carriages required?**

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	**Percent**	**Frequency**	**Percent**
During the daytime	0	0.0	0	0.0
During the evening/night	0	0.0	2	25.0
All day	7	100	6	75.0
Total	**7**	**100.0**	**8**	**100.0**

8.7.4 It is evident that the hackney carriage trade feels that more hackneys are required all day, whilst the private hire trade feel more hackneys are needed during the evening and all day.

8.7.5 All respondents were asked to state how many hackney carriages there should be in Thurrock. The results are detailed in Table 8.13. Of those drivers who responded, 87.5%

of the private hire trade felt that the hackney carriage fleet should be larger than it currently is, whereas 80% of the hackney carriage trade felt the fleet should remain the same or even decrease in size.

Table 8.13 Opinion on Ideal Hackney Carriage Fleet Size

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	**Percent**	**Frequency**	**Percent**
Under 103	5	25.0	0	0.0
103	11	55.0	1	12.5
Over 103	4	20.0	7	87.5
Total	**20**	**100.0**	**8**	**100.0**

8.7.6 All respondents were asked to state if they were in support of removing the existing numerical limit on the number of hackney carriages. The responses are detailed in Table 8.14.

Table 8.14 Do you think Thurrock should remove the current limit on the number of hackney carriages?

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	**Percent**	**Frequency**	**Percent**
Yes	6	17.1	9	45.0
No	25	71.4	7	35.0
No opinion	4	11.4	4	20.0
Total	**35**	**100.0**	**20**	**100.0**

8.7.7 The majority of respondents from the hackney carriage trade (71.4%) believe the current limit on the number of licences should remain in place along with 35% of private hire respondents. A further 45% of the private hire trade felt that the current licence limit should be removed compared to just 17% of hackney carriage trade respondents

8.7.8 Views were sought of the likely impact on a series of factors if Thurrock Council were to remove the existing limit on hackney carriage licences. The findings are summarised below and presented in Table 8.15.

Congestion

8.7.9 Respondents from the hackney carriage trade were divided as to whether congestion would increase. The majority of respondents from the private hire trade (56%) felt this would remain the same.

Fares

8.7.10 The majority of both trades felt the removal of the numerical limit would have no effect on fare levels.

Passenger Waiting Times

8.7.11 The majority of hackney carriage respondents believe that passenger waiting times would not be affected, whilst the majority of private hire drivers considered that waiting times would decrease.

Vehicle Quality

8.7.12 While most respondents from the hackney carriage trade (58%) felt hackney vehicle quality would decrease, the respondents from the private hire trade were more divided with only 44% feeling vehicle quality would decrease. Both trades felt that removing the limit on licences would have no effect on private hire vehicle quality.

Effectiveness of Enforcement

8.7.13 With regard to effectiveness of enforcement, a third of the hackney carriage trade were of the opinion that removing existing licence restrictions would have no effect. Just less than half the private hire trade (47%) were of the same opinion.

Illegal Plying for Hire

8.7.14 In terms of illegal plying for hire by private hire vehicles, some 44% of the hackney carriage trade were of the opinion that a change in licence restriction conditions would increase this activity, whilst only 25% of private hire drivers felt this would be the case.

Customer Satisfaction

8.7.15 The majority of hackney carriage drivers (49%) were of the opinion that customer satisfaction would remain the same as a result of the removal of the licence limit, whilst almost 63% of the private hire trade felt customer satisfaction would increase.

Table 8.15 Opinions Relating to the Impact of De-Restriction

Impact		Hackney Carriage Trade (%)	Private Hire Trade (%)
Congestion	Increase	48.5	22.2
	No effect	48.5	55.6
	Decrease	6.1	22.2
Fares	Increase	18.2	11.1
	No effect	54.5	61.1
	Decrease	27.3	27.8
Passenger waiting time at ranks	Increase	12.1	6.3
	No effect	63.6	18.8
	Decrease	24.2	75.0
Passenger waiting times when flagged	Increase	16.1	6.3
	No effect	64.5	6.3
	Decrease	19.4	87.5
Passenger waiting time when booked by telephone	Increase	9.7	6.3
	No effect	77.4	31.3
	Decrease	12.9	62.5
Hackney vehicle quality	Increase	12.1	18.8
	No effect	30.3	37.5
	Decrease	57.6	43.8
Private hire vehicle quality	Increase	9.7	17.6
	No effect	48.4	52.9
	Decrease	41.9	29.4
Effectiveness of enforcement	Increase	12.1	13.3
	No effect	33.3	46.7
	Decrease	54.5	40.0
Illegal plying for hire – private hire	Increase	43.8	25.0
	No effect	34.4	25.0
	Decrease	21.9	50.0
Illegal plying for hire – unlicensed vehicles	Increase	44.8	31.3
	No effect	27.6	18.8
	Decrease	27.6	50.0
Over ranking	Increase	81.3	60.0
	No effect	12.5	33.3
	Decrease	6.3	6.7
Customer Satisfaction	Increase	15.2	62.5
	No effect	48.5	18.8
	Decrease	36.4	18.8

8.7.16 The survey concluded by asking respondents to state the effect de-restriction would have on them personally were the Authority to remove the current numerical limit on the number of licences.

8.7.17 Table 8.16 shows respondents were found to be divided in terms of the effect of removing the existing licence limit. The majority of the hackney carriage trade (63.9%) stated they would work more hours, compared to a third stating that they would leave the trade.

8.7.18 The majority of private hire drivers claimed that they would either acquire a hackney licence or switch from private hire to hackney carriage (54.6%). Approximately two thirds (63.9%) of the hackney carriage trade stated that they would work more hours.

8.7.19 Some 17 respondents stated that they would acquire a hackney licence should the existing licence limit be removed. However 15 respondents stated that they would leave the trade thereby identifying the potential demand for an increase of 2 licences.

Table 8.16 Individual Response Following Removal of Numerical Limit on the Number of Licences (Multiple Responses)

	Hackney Carriage Trade		**Private Hire Trade**	
	Frequency	**Percent**	**Frequency**	**Percent**
Continue as normal	6	16.7	4	18.2
Work more hours	23	63.9	4	18.2
Work fewer hours	1	2.8	3	13.6
Acquire a hackney licence	5	13.9	6	27.3
Acquire more than one hackney	3	8.3	3	13.6
Switch from hackney to private hire	1	2.8	1	4.5
Switch from private hire to hackney	4	11.1	6	27.3
Leave to trade	12	33.3	3	13.6
Other	4	11.1	1	4.5
Sample	**36**	**-**	**22**	**-**

9 Transport Policy in Thurrock

9.1 *Introduction*

9.1.1 This Section considers the taxi market within a wider context of transport policy and associated issues within Thurrock. Taxis provide an important service for the public generally and have the potential to form an important part of an integrated public transport system, filling gaps within the broader transport system.

9.1.2 The Local Transport Plan process requires local authorities to consider, in a holistic manner, how transport provision for their area contributes to wider objectives such as economic growth, accessibility and the environment. Taxis are an integral part of local transport provision and should be taken into account within this provision. Their role can be expected to become more pertinent as the issue of accessibility planning dominates the second round of Local Transport Plans. The Government seeks justification within its letter (16 June 2004) of the local policy for quantity restrictions in the five yearly Local Transport Plan process.

9.2 *Hackneys and the Local Transport Market*

9.2.1 The Thurrock Local Transport Plan, which covers the period from 2006 to 2011, was submitted in its final form in March 2006.

9.2.2 The LTP outlines five key transport objectives as follows:

- to tackle congestion;
- to improve accessibility to key services;
- to reduce road casualties;
- to improve air quality across Thurrock; and
- to facilitate regeneration within the Borough.

9.2.3 LTP2 recognises that taxis and private hire vehicles have an important and ever increasing role to play with regard to the provision of public transport within Thurrock. In particular, it is noted that taxis provide extra capacity which helps to complement other forms of public and community transport. The availability of taxis is also considered important in helping to enhance personal safety and reduce the fear of crime in Thurrock.

9.2.4 Thurrock LTP2 also recognises that taxis play an important part in helping people undertake the following journey types:

- door to door transport trips, particularly by people with disabilities, heavy luggage or young children;

- journeys in areas where bus services are infrequent, and in areas where no services operate during weekends or evenings; and

- trips to and from airports and railway stations.

9.3 ***Consideration of Rural Areas***

9.3.1 Thurrock LTP2 notes that the Council's Transport Strategy has earmarked an expansion of the role of Taxis in the Borough, particularly with regard to rural areas. The LTP2 notes the important part that taxis play in assisting with accessibility and mobility in all parts of Thurrock.

9.4 ***Outlined Proposals in Thurrock LTP2***

9.4.1 Contained within the LTP2 are a number of measures proposed by the Council to help improve taxis services within the Borough.

9.4.2 The LTP2 states that following consultation with the general public, concern was raised that there were inadequate areas for taxi interchange at bus stations within the Borough. As a result of this, money has been allocated within the capital budget which will allow the upgrade of taxi interchange facilities at all stations within Thurrock.

9.4.3 In line with the views of older people within the Borough, Thurrock Council pledged to investigate the use of free bus passes for travel with local taxi companies. The Council also pledge to promote the licensing and conversion of taxis such that they are accessible to all members of the community. To achieve this, the Council state that new operators into the taxi market will be required to use accessible vehicles, whilst retro-conversion of vehicles in the existing fleet is to be encouraged by the use of grants where appropriate.

9.4.4 LTP2 also outlines a commitment to help provide infrastructure considered necessary in helping to promote the use of taxis. This will include improvements to waiting facilities at taxi ranks, particularly in Grays and Lakeside, and improvements to vehicle specifications to include the use of cleaner fuels.

9.4.5 Additionally, the Council will investigate the opportunities to incorporate the use of taxis in bus lanes, and will seek to better co-ordinate the use of taxis for journeys to and from school. Part of Thurrock's accessibility strategy seeks an increase in the number of taxis licensed in the Borough, with a target set for 445 vehicles operating by 2010/2011.

9.5 ***Conclusion***

9.5.1 Thurrock's LTP2 recognises the role of the taxi in providing public transport across the metropolitan area. Recognition is given to the important role taxis have to play in efforts to secure safety, accessibility and regeneration improvements within the Borough. Accordingly, up to £125,000 in block funding has been allocated for spending on taxis and the taxi market in the Borough over the five year lifetime of the Thurrock LTP2.

10 Summary and Conclusions

10.1 ***Introduction***

10.1.1 Halcrow has conducted a study of the hackney carriage market on behalf of Thurrock MBC. Halcrow has the benefit of over 19 year's experience of research in the taxi market.

10.1.2 The present study has been conducted in pursuit of the following objectives:

- to determine whether or not there exists a significant unmet demand for hackney services in Thurrock; and
- to advise on the action necessary to restore a position of no significant unmet demand if necessary.

10.1.3 This section provides a brief description of the work undertaken and summarises the conclusions and implications for regulatory policy.

10.2 ***Significant Unmet Demand***

10.2.1 The study concludes that there is no significant unmet demand for the services of hackney carriages in Thurrock. This conclusion is based on an assessment of the implications of case law and the results of Halcrow's ISUD analysis.

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

- continue to limit the number of vehicles at 90;
- issue any number of additional plates as it sees fit, either in one allocation or a series of allocations; or
- remove the limit on the number of vehicles and allow a free entry policy.

10.2.3 At 90 the provision of hackney carriages in Thurrock remains relatively low. However it is largely in line with other multi centred authorities. Halcrow recommends that the authority reassess the adequacy of supply at regular intervals, at least every three years.

10.3 ***Consultation – Interested Parties***

10.3.1 The Department for Transport requested that licensing authorities consult widely to inform their policy making in respect of continued entry control to the hackney carriage market. In addition to the consultation that has routinely been included in previous market studies (correspondence with interested parties), Halcrow has followed the prescribed approach and sought the views of all those involved in the taxi trade. We have also widened the scope of the consultation by correspondence to include other transport operators.

10.3.2 Consultation with interest groups provided mixed responses. Driver attitude was raised as an issue in Thurrock.

10.4 ***Consultation – Hackney Carriage and Private Hire Trade Members***

10.4.1 A questionnaire was designed and passed to trade representatives for comment. The finalised version was distributed to all 600 members of the trade and 58 responses (9.7%) were received. The survey was designed to provide a wide range of information about the operation of the market and also included questions aimed specifically at addressing issues posed by the Department for Transport. These relate to the anticipated impact of the introduction of a free entry policy for hackney vehicle licences in Thurrock. The main results are:

- 43.8% of hackney carriage trade respondents considered there to be insufficient rank space in Thurrock;
- the majority of hackney trade respondents (81.8%) think that current fares levels are appropriate; this compares to 55% of the private hire trade;
- the majority of hackney carriage respondents (76.5%) consider there to be sufficient hackney carriages compared to only 35% of the private hire trade;
- over 70% of hackney trade respondents were not in favour of the removal of the limitation policy compared to 35%of the private hire trade;
- the perceived consequences of a delimitation policy among hackney and private hire trade respondents are respectively:
    - no effect on fares (hackney and private hire);
    - no effect on passenger waiting time at ranks, by flagdown and telephone bookings (hackneys); reduction in passenger waiting times (private hire);

- decrease in hackney vehicle quality;
- decrease in the effectiveness of enforcement;
- an increase in over ranking; and
- no effect on consumer satisfaction from both trades.

- the stated behavioural response to the introduction of a free entry policy includes working longer hours (hackney); switch to hackney (private hire) or leave the trade (hackney).